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January 19, 2016

VIA E-MAIL

Cameron McKenzie

Director, Regulatory Affairs
Milton Hydro Distribution Inc.
8069 Lawson Rd.
Milton ON L9T 5C4

Dear Mr. McKenzie:

**Re: EB-2015-0089 – Milton Hydro Distribution Inc. – 2016 Rate Application
Pre-ADR Clarification Questions**

In accordance with Procedural Order No. 2 a Settlement Conference with respect to above application is scheduled to be convened starting January 25, 2016. After reviewing the initial Application, and Milton Hydro's interrogatory responses, VECC has identified a number areas requiring clarification before we can meaningfully participate in the Settlement Conference.

Typically these questions would be raised at a technical conference. However, no such conference has been scheduled for this proceeding. In order to expedite the process VECC is providing questions of clarification at this time and so that Milton Hydro will have an opportunity to address them on or before January 25th.

We continue to review the interrogatory responses and may have further questions. If possible we will provide these in advance of January 25th.

Yours truly,

B. Harper /for
Michael Janigan
Counsel for VECC

cc. Ontario Energy Board, Board Secretary
Mr. Harold Thiessen - harold.thiessen@ontarioenergyboard.ca.
Registered Intervenors

MILTON HYDRO
2016 RATE APPLICATION (EB-2015-0089)
VECC'S PRE-ADR CLARIFICATION QUESTIONS

3.0 OPERATING REVENUE (EXHIBIT 3)

VECC –CQ 42

Reference: Load Forecast Model (Updated per Staff #39), Rate Class
Customer Model Tab / Exhibit 3, page 7, lines 17-20

- a) The Application states that the number of Sentinel Light customers is being held constant. However, the load forecast model shows a reduction in the class' count for 2015 and, again, for 2016. Please indicate which is correct.

VECC – CQ 43

Reference: Load Forecast Model (Updated per Staff #39), Rate Class
Energy Model Tab

- a) Please clarify how the 2015 energy forecast for the GS 1000-4999 class was determined. Was the same approach used as for the LU class (i.e. prorate the usage up to October 2015 through to the end of the year) or was another approach taken.

VECC – CQ 44

Reference: Load Forecast Model (Updated per Staff #39)
Attachment 3.0-VECC-19 a) & b)
VECC #20 d)

- a) VECC #20 d) indicates that the total net savings from 2014 CDM programs used for purposes of the Load Forecast Model was 5,511,550 kWh. However, the 2011-2014 Final CDM Results Report from the IESO (Attachment 3.0-VECC-19 a) & b), Table 1) indicates that the total verified savings from 2014 CDM programs was only 3,845,602 kWh. Please reconcile and revise the Load Forecast model as needed.

VECC – CQ 45

Reference: Load Forecast Model (Updated per Staff #39), Residential, GS<50 and GS>50 Tabs / VECC #18/VECC #20 d)/VECC #21

- a) Please confirm that for the Residential, GS<50 and GS 50-499 classes the manual CDM adjustments in the updated Load Forecast for 2016 are equal to the total of: i) $\frac{1}{2}$ of the reported 2014 CDM program savings; ii) 100% of the expected 2015 CDM program savings; and iii) $\frac{1}{2}$ of the expected 2016 CDM program savings (per VECC 20 d); VECC 21 a) and the referenced Load Forecast Model tabs).
- b) Please reconcile this calculation of the total 2016 adjustment with the response to VECC #18 b), c) and d) by addressing the following and revising the load forecast models as needed:
 1. If the load forecast models now use actual data up to October 2015, then wouldn't the 2016 forecast produced by the models already reflect 2015 CDM program savings equivalent to: i) the expected 2015 program savings times ii) $\frac{1}{2}$ for the half-year adjustment times iii) $\frac{55}{78}^{\text{ths}}$ to account for the fact that actuals are used the only the first 10 months of the year ($\frac{55}{78} = \frac{1}{78} + \dots + \frac{10}{78}$ – per VECC 18 d)). If so, shouldn't the 2016 annual adjustment for 2015 CDM program impacts be reduced by this amount?
 2. If the load forecast models now use actual data up to October 2015, wouldn't the 2016 forecast produced by the model already reflect 2014 program savings greater than $\frac{1}{2}$ of the annual amount but rather include: i) $\frac{10}{12}^{\text{ths}}$ of the 2014 savings (reflecting the fact that the full savings will have persisted for January to October 2015) plus ii) the 2014 savings adjusted for the $\frac{1}{2}$ year rule times $\frac{23}{78}^{\text{ths}}$ (to capture what would have been included in the November and December 2014 actual loads). If so, shouldn't the 2016 annual adjustment made to reflect the 2014 program savings be the full annual 2014 program savings less this amount as opposed to $\frac{1}{2}$ of the 2014 savings?
- c) With respect to VECC 20 d), for 2014 and 2015 the Change Year over Year is equal to $\frac{1}{2}$ of the current year's savings but this is not the case for 2016. Please explain why.
- d) With respect to the Load Forecast Model, please explain why for each of the classes the CDM deemed to be included in the load forecast for January 2015 is less than that for December 2014.

VECC – CQ 46

Reference: Load Forecast Model (Updated per Staff #39), Rate Class
Energy Model Tab
VECC #20 d)
VECC #21 c)

- a) For the GS 1000-4999 and Large Use classes, please indicate how the manual CDM adjustments for 2015 (34,583 kWh and 32,014 kWh respectively per the Load Forecast Model) were derived and why they differ from the values shown in response to VECC 20 d).
- b) For the GS 1000-4999 and Large Use classes, please confirm that the 2016 CDM adjustments are equal to the total of: i) $\frac{1}{2}$ of the reported 2014 CDM program savings; ii) 100% of the expected 2015 CDM program savings; and iii) $\frac{1}{2}$ of the expected 2016 CDM program savings (per VECC 20 d); VECC 21 c) and the referenced Load Forecast Model tabs).
- e) For the GS 1000-4999 and Large Use classes, please reconcile this calculation of the total 2016 adjustment with the response to VECC #18 b), c) and d) by addressing the following:
 - 1. If the load forecast now uses actual data up to October 2015, then wouldn't the 2016 forecast produced by the models already reflect 2015 CDM program savings equivalent to: i) the expected 2015 program savings times ii) $\frac{1}{2}$ for the half-year adjustment times iii) $\frac{55}{78}^{\text{ths}}$ to account for the fact that actuals are used for only the first 10 months of the year ($\frac{55}{78} = \frac{1}{78} + \dots + \frac{10}{78}$ – per VECC 18 d)). If so, shouldn't the 2016 annual adjustment for 2015 CDM program impacts be reduced by this amount?
 - 2. If the load forecast now uses actual data up to October 2015, wouldn't the 2016 forecast produced by the model already reflect 2014 program savings greater than $\frac{1}{2}$ of the annual amount but rather include: i) $\frac{10}{12}^{\text{ths}}$ of the 2014 savings (reflecting the fact that the full savings will have persisted for January to October 2015) plus ii) the 2014 savings adjusted for the $\frac{1}{2}$ year rule times $\frac{23}{78}^{\text{ths}}$ (to capture what would have been included in the November and December 2014 actual loads). If so, shouldn't the 2016 annual adjustment made to reflect the 2014 program savings be the full annual 2014 program savings less this amount as opposed to $\frac{1}{2}$ of the 2014 savings?

VECC – CQ 47

Reference: Load Forecast Model (Updated per Staff #39), Rate Class
Energy Model Tab
VECC #20 d)
VECC #21 c)

- a) For the Street Lighting Class, the updated Load Forecast Model does not include any manual adjustment for CDM and neither do the updated forecast values reported in Staff #39 for either 2015 or 2016. However, VECC 20 d) and VECC 21 c) indicate that there are 2015 and 2016 CDM programs that impact on this class. Please reconcile.

VECC – CQ 48

Reference: VECC #22 d)

- a) Milton states that its proposed 2016 LRAMVA Baselines by customer class are found in Table 3-4. Please confirm whether, for purposes of the 2016 LRAMVA Baselines, Milton is proposing to use: i) the values as set out for 2016 or ii) the sum of the values as set out for 2015 and 2016.
- b) For those classes that are demand-billed, what are the equivalent 2016 kW Baselines for purposes of the LRAMVA. Also, please confirm how these values were determined.

4.0 OPERATING COSTS (EXHIBIT 4)

VECC – CQ 49

Reference: VECC #22 a)
VECC #34 g)
Staff #74

- a) Milton indicates that it has updated its LRAM claim for the final 2011-2014 IESO/OPA CDM reported results. Please provide updated versions of Tables 4-53 and 4-54 from the original Application.

8.0 RATE DESIGN (EXHIBIT 8)

VECC – CQ 50

Reference: RTSR Model (updated with interrogatory responses)

- a) Please provide an update version of the RTSR model that also incorporates HON's 2016 approved rates per EB-2015-0079.

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