



MILTON HYDRO DISTRIBUTION INC.

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January 23, 2016

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Young Street
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Toronto, ON
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**Re: OEB File No. EB-2015-0089
Milton Hydro Distribution Inc. ED-2003-0014
Interrogatory Responses to VECC Pre-ADR Clarification Questions**

Please find enclosed an electronic copy of Milton Hydro's Interrogatory Responses in regards to its 2016 Cost of Service Rate Application and VECC Pre-ADR Clarification Questions. Live Excel models, as required, have been filed through the RESS. Two hard copies of the Interrogatory Responses will follow by courier under separate cover.

Yours truly,

Original signed by

Cameron McKenzie
Director, Regulatory Affairs
Milton Hydro Distribution Inc.

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

3.1 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.

Response:

- a) Milton Hydro has held the number of Sentinel Light customers constant as Milton Hydro does not anticipate any growth in the number of Sentinel Lights and as evident in the load forecast model on the tab Rate Class Customer Model there is a steady decline in the number of Sentinel Lights. The reference to being held constant only refers to the fact that Milton Hydro is not expecting growth such that the Geomean is applied to the 2014 actual count to forecast 2015 and 2016.

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.

Response:

- a) In order to achieve the most accurate forecast based on actual consumption to October, Milton Hydro evaluated the historical monthly consumption for the General Service 1000-4999 and the Large User customer classes for the past three years. The Large User class monthly consumption varies very little from month to month and therefore a simple proration of the actual total consumption at the end of October to the end of December was applied based on 12/10th. However, the General Service 1000-4999 historical monthly consumption for the last five months of the years reviewed have been on average 9.9% higher than the first five months (January to May). Based on this analysis Milton Hydro prorated the actual consumption for June to October to December based on 7/5th to reflect the higher consumption towards the end of the year.

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.

Response:

- a) Please refer to VECC – CQ 45 b). Milton Hydro used the actual consumption for each customer class in its Load Forecast, which, as identified in VECC – CQ 45 b) would already reflect the 2014 CDM savings and therefore there is no 2014 CDM programs included in Milton Hydro's **revised** Load Forecast.

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) $55/78^{\text{ths}}$ to account for the fact that actuals are used the only the first 10 months of the year ($55/78=1/78 + \dots+10/78$ – 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) $10/12^{\text{ths}}$ 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 $23/78^{\text{ths}}$ (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.

Response:

In response to VECC – CQ 45 b), Milton Hydro used the actual consumption for each customer class which, as identified in VECC – CQ 45 b) would already reflect the 2014 CDM savings and the 2015 CDM savings up to October. As such, Milton Hydro has revised its Load Forecast to remove all 2014 CDM savings and January to October 2015 CDM savings from its 2016 Load Forecast.

Milton Hydro submits that this updated Load Forecast will actually make the CQ parts a), c) and d) no longer relevant.

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).
- c) 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?

Response:

In response to VECC – CQ 45 b) above, Milton Hydro used the actual consumption for each customer class which, as identified in VECC – CQ 45 b) would already reflect the 2014 CDM

savings and the 2015 CDM savings up to October. As such, Milton Hydro has revised its Load Forecast to remove all 2014 CDM savings and January to October 2015 CDM savings from its 2016 Load Forecast.

Milton Hydro submits that this updated Load Forecast will actually make the CQ part b) no longer relevant.

- a) Milton Hydro revised Load Forecast as discussed above includes CDM savings adjustments beginning with November 2015. The manual CDM adjustments for the GS 1000-4999 and Large Use classes are for the November and December 2015 CDM savings as provided in the following two tables. Milton Hydro would note that the CDM savings to be adjusted for November and December has been reduced to reflect the removal of any 2014 and 2015 CDM savings that would have been reflected in the use of actual consumption for the these periods.

General Service 1000 – 4999 kW

Jan-15		
Feb-15		
Mar-15		
Apr-15		
May-15		
Jun-15		
Jul-15		
Aug-15		
Sep-15		
Oct-15		
Nov-15	11,230	
Dec-15	12,251	23,481
Jan-16	15,021	
Feb-16	17,791	
Mar-16	20,561	
Apr-16	23,331	
May-16	26,101	
Jun-16	28,872	
Jul-16	31,642	
Aug-16	34,412	
Sep-16	37,182	
Oct-16	39,952	
Nov-16	42,722	
Dec-16	45,492	363,079

Large User

Jan-15		
Feb-15		
Mar-15		
Apr-15		
May-15		
Jun-15		
Jul-15		
Aug-15		
Sep-15		
Oct-15		
Nov-15	15,309	
Dec-15	16,701	32,010
Jan-16	14,952	
Feb-16	13,204	
Mar-16	11,455	
Apr-16	9,706	
May-16	7,958	
Jun-16	6,209	
Jul-16	4,461	
Aug-16	2,712	
Sep-16	964	
Oct-16	-785	
Nov-16	-2,534	
Dec-16	-4,282	64,019

- b) Not Applicable with the revised Load Forecast.
- c) Please see the above response.

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.

Response:

- a) In Milton Hydro's response to 3.0-Staff-45, Milton Hydro stated that the Town of Milton did not implemented any changes to its street lighting system in 2015 and has not made any plans to do so in 2016, Milton Hydro has removed the CDM savings from its Load Forecast for Street Lighting.

NOTE: Milton Hydro has filed a revised Load Forecast reflecting all the changes required in response the VECC's clarification questions.

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.

Response:

- a) Milton Hydro has used the values from Table 3-4 to reflect the CDM savings for November and December 2015 and all the CDM savings for 2016 for each customer class except Street Lighting as discussed in VECC – CQ 47 above.
- b) Milton Hydro's Load Forecast model includes the reduction in kWh for the CDM savings for the periods noted in part a) and converts the total kWh into kW using the historic ratio of kW to kWh as found in the tab "Rate Class Load Model" in Milton Hydro's Load Forecast model.

4.1 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.

Response:

- a) Milton Hydro has provided the updated Tables 4-53 and 4-54 below:

Table 4-53
Calculation of LRAMVA

Summary Units Lost	2011 kwh Saved	2012 kwh Saved	2013 kwh Saved	2014 kwh Saved	Total kWh Saved
Residential	556,986	891,600	1,258,268	2,848,868	5,555,722
General Service <50 kW	242,642	564,699	991,797	1,531,945	3,331,083
General Service 50 -999 kW	6,159	8,142	11,707	15,207	41,215
General Service 1000 - 4999	2,160	2,689	3,056	3,528	11,434
Large User	195	232	835	835	2,097
Rate Class Distribution Volumetric Rates	2011	2012	2013	2014	
Residential (kWh)	0.0135	0.0129	0.0135	0.0141	
General Service <50 kW (kWh)	0.0164	0.0167	0.0169	0.0171	
General Service 50 -999 kW (kW)	2.4361	2.4232	2.4837	2.5456	
General Service 1000 - 4999 kW (kW)	2.9483	2.7577	2.7251	2.7802	
Large User (kw)	2.4087	2.2844	2.2030	2.2026	
CDM Lost Revenue - LRAM\$	2011	2012	2013	2014	Total
Residential (kWh)	\$ 7,501	\$ 11,472	\$ 16,945	\$ 40,074	\$ 75,991
General Service <50 kW (kWh)	\$ 3,979	\$ 9,449	\$ 16,761	\$ 26,247	\$ 56,437
General Service 50 -999 kW (kW)	\$ 15,005	\$ 19,729	\$ 29,076	\$ 38,711	\$ 102,521
General Service 1000 - 4999 kW (kW)	\$ 6,368	\$ 7,416	\$ 8,329	\$ 9,809	\$ 31,923
Large User (kw)	\$ 470	\$ 531	\$ 1,839	\$ 1,839	\$ 4,678
CDM in 2011 Forecast	2011	2012	2013	2014	Total
Residential (kWh)	1,227,764	1,227,764	1,227,764	1,227,764	4,911,056
General Service <50 kW (kWh)	363,580	363,580	363,580	363,580	1,454,320
General Service 50 -999 kW (kW)	2,451	2,451	2,451	2,451	9,805
General Service 1000 - 4999 kW (kW)	1,053	1,053	1,053	1,053	4,212
Large User (kw)	750	750	750	750	2,999
CDM in 2011 Forecast\$	2011	2012	2013	2014	Total
Residential (kWh)	\$ 16,534	\$ 15,797	\$ 16,534	\$ 17,271	\$ 66,136
General Service <50 kW (kWh)	\$ 5,963	\$ 6,084	\$ 6,145	\$ 6,229	\$ 24,420
General Service 50 -999 kW (kW)	\$ 5,972	\$ 5,940	\$ 6,088	\$ 6,240	\$ 24,240
General Service 1000 - 4999 kW (kW)	\$ 3,104	\$ 2,904	\$ 2,869	\$ 2,927	\$ 11,805
Large User (kw)	\$ 1,806	\$ 1,713	\$ 1,652	\$ 1,651	\$ 6,822
LRAMVA=LRAM\$-2011 Forecast\$	2011	2012	2013	2014	Total
Residential (kWh)	\$ (9,033)	\$ (4,325)	\$ 411	\$ 22,804	\$ 9,856
General Service <50 kW (kWh)	\$ (1,983)	\$ 3,365	\$ 10,617	\$ 20,018	\$ 32,017
General Service 50 -999 kW (kW)	\$ 9,033	\$ 13,789	\$ 22,988	\$ 32,471	\$ 78,281
General Service 1000 - 4999 kW (kW)	\$ 3,264	\$ 4,512	\$ 5,460	\$ 6,882	\$ 20,118
Large User (kw)	\$ (1,336)	\$ (1,182)	\$ 187	\$ 187	\$ (2,144)
Total	\$ (56)	\$ 16,159	\$ 39,662	\$ 82,362	\$ 138,128

Table 4-54
LRAMVA Rate Rider

Description	LRAM\$	2011 Forecast\$	Net LRAMVA	Carrying Charges to April 2016	Total LRAMVA Claim	Proposed Billing Determinant	Unit	LRAMVA Rate Rider
Residential (kWh)	\$ 75,991	\$ 66,136	\$ 9,856	\$ (299)	\$ 9,556	311,504,507	kWh	0.0000
General Service <50 kW (kWh)	\$ 56,437	\$ 24,420	\$ 32,017	\$ 882	\$ 32,899	91,412,832	kWh	0.0002
General Service 50 -999 kW (kW)	\$ 102,521	\$ 24,240	\$ 78,281	\$ 2,890	\$ 81,171	555,651	kW	0.1125
General Service 1000 - 4999 kW (kW)	\$ 31,923	\$ 11,805	\$ 20,118	\$ 806	\$ 20,924	245,808	kW	0.0772
Large User (kW)	\$ 4,678	\$ 6,822	\$ (2,144)	\$ (139)	\$ (2,282)	260,162	kW	-0.0090
Total	\$ 271,551	\$ 133,423	\$ 138,128	\$ 4,140	\$ 142,268			

8.1 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.

Response:

- a) Milton Hydro has filed an updated RTSR model reflecting both the updated Uniform Transmission Rates and Hydro One Sub-Transmission Rates with its responses to VECC's clarification questions.

End of document