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January 26, 2016

VIA E-MAIL

David J. Smelsky
Chief Financial Officer
Halton Hills Hydro Inc.
43 Alice St.
Acton, ON L7J 2A9

Dear Mr. Smelsky:

**Re: EB-2015-0074 – Halton Hills Hydro Inc. – 2016 Rate Application
Pre-ADR Clarification Questions**

In accordance with Procedural Order No. 1 a Settlement Conference with respect to above application is scheduled to be convened starting February 1, 2016. After reviewing the initial Application and Halton Hills 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 Halton Hills will have an opportunity to address them on or before February 1st.

We continue to review the interrogatory responses and may have further questions. We will do our best to provide these in advance of February 1st.

Yours truly,

B. Harper /for

Michael Janigan
Counsel for VECC

cc. Ontario Energy Board, Board Secretary
Violet Binette, Project Advisor, OEB /Registered Intervenors

1204-ONE Nicholas Street, Ottawa, ON K1N 7B7 Tel: 613-562-4002 Fax: 613-562-0007 piac@piac.ca www.piac.ca
Michael Janigan - Direct: 31 Hillside Avenue E, Toronto, ON M4S 1T4 Tel: 416-840-3907 mjanigan@piac.ca

HALTON HILLS HYDRO' 2016 RATE APPLICATION (EB-2015-0074)
VECC'S PRE-ADR CLARIFICATION QUESTIONS

3.0 OPERATING REVENUE (EXHIBIT 3)

VECC –CQ 35

Reference: Energy Probe #15 b)
Load Forecast Model, Rate Class Customer Model Tab
(Updated January 18, 2016)

- a) Are 2015 year end customer/connection counts now available? If so, please update the response to Energy Probe 15 b).
- b) Also, if the 2015 year-end counts are available, please update the Rate Class Customer Model Tab using the actual 2015 values and 2012-2015 geometric growth rates to forecast 2016 customer/connection counts.

VECC – CQ 36

Reference: VECC #9
VECC #27
Load Forecast Model, Power Purchases; CDM and Rate Class
Energy Model Tabs, (Updated January 18, 2016)

- a) VECC #9 indicates that Halton Hills has updated the CDM impact on the load forecast based on the IESO's final 2011-2014 Final Results Report. VECC #27 states that Halton Hills has updated its LRAM claim based on the 2011-2014 Final Report. Please provide a copy of the IESO's final 2011-2014 Final Results Report for Halton Hills.
- b) The CDM Tab in the updated Load Forecast model does not appear to have incorporated the results from the IESO's final 2011-2014 Final Results Report. For example the 2014 savings used in the Tab from 2011-2014 programs is 7,343,522 kWh (same as in the initial model) as opposed to the value of 9,882,707 kWh which VECC #27 indicates is the appropriate value from the IESO's final report. Please reconcile and provide corrected models as required.
- c) The annual loss factors used to adjust the WMP and CDM values in the Purchase Power Tab don't match those calculated in the Rate Class Energy Model Tab. Please reconcile and provide corrected models as needed.

VECC – CQ 37

Reference: VECC 10 a)
VECC #15

Preamble: VECC #15 (a)(ii) states that for purposes of the load forecast it has assumed that the 2014 CDM savings will persist to 2016. However, Table IRR-43 filed with the response shows a loss of persistence over time between 2011 and 2014 which suggests that persistence may continue to decline after 2014.

- a) Has the IESO provided a forecast of the persistence of Halton Hills 2011-2014 CDM programs results through to 2016 similar to what was provided for the 2006-2010 programs in response to VECC 10 a)? If yes, please provide. If not, can Halton Hills confirm if one is available?

VECC – CQ 38

Reference: Energy Probe #18

- a) With respect to Table IRR-37, it is noted that the column for 2015 is labeled “Forecast”. Please confirm whether the 2015 values are based entirely on actuals or whether it is based on actuals for part of the year and a forecast for the balance of the year.
- b) If based only partially on actuals, please provide the year-to-date actuals, the period they cover and the corresponding actuals for 2014 (as originally requested).
- c) The response to Energy Probe #18 a) indicates that the values reported for Account 4405 include interest income associated with deferral and variance accounts. Please confirm that this is the case and that, as also indicated in the response, the entire \$100,000 shown for 2016 is associated with deferral and variance accounts.

4.0 OPERATING COSTS (EXHIBIT 4)

VECC – CQ 39

Reference: VECC #27

- a) Based on the IESO's final 2011-2014 Final Report (per VECC CQ #36), please provide an updated version of Table 4-48 from the initial Application that sets out the assignment of the reported savings to customer classes.
- b) Please confirm that the reported total savings for each year as shown in Table IRR-67 reconcile with the annual kWh and kW savings as set out in Tables #4 and #5 of the IESO's Final Report.
- c) Please explain how, for the demand billed classes, the 2012, 2013 and 2014 kW values used in Table IRR-68 were derived from the Net Peak Demand savings reported in Table IRR-67.

7.0 COST ALLOCATION (EXHIBIT 7)

VECC – CQ 40

Reference: Energy Probe #40 b)
VECC #29 a)

- a) Please re-calculate the Billing and Collecting weighting factor by:
 - Rebasings the Collecting weightings such that Residential equals 1.0 per the Board's requirements.
 - Calculating the overall weighting for each class as the sum of: i) its Billing weight multiplied by the percentage of total Billing and Collecting costs accounted for by Billing (estimated to be 62.4% from the trial balance in the CA Model) and ii) its Collecting weight, as determined in preceding step, multiplied by the percentage of total Billing and Collecting costs accounted for by Collecting (estimated to be 37.6%).

8.0 RATE DESIGN (EXHIBIT 8)

VECC – CQ 41

Reference: RTSR Model

- b) Please provide an update version of the RTSR model that incorporates the 2016 approved UTRs (EB-2015-0311) and HON's 2016 approved rates per EB-2015-0079.

VECC – CQ 42

Reference: VECC #31

- a) Please update the 2016 forecasted LV costs and the resulting LV rates based on HON's 2016 approved rates per EB-2015-0079.

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