

EB-2015-0074

Halton Hills Hydro Inc.

**Application for electricity distribution rates and other
charges beginning May 1, 2016**

**CLARIFICATION QUESTIONS OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

January 27, 2016

**HALTON HILLS HYDRO INC.
2016 RATES REBASING CASE
EB-2015-0074**

**ENERGY PROBE RESEARCH FOUNDATION
CLARIFICATION QUESTIONS**

EXHIBIT 2 – RATE BASE

1. Ref: 2-Staff-3

The response indicates that the contributed capital for 2012 should be (\$1,085,377) rather than \$39,153 as shown in Tale 2-25 and that there is no impact to revenue requirement.

Please explain if Table 2-18 is still correct given it includes the incorrect figure for capital contributions. If the table is not correct, please explain why the correction would not impact all of the continuity schedules, including that for the test year in Tables 2-19 through 2-22. If these tables are impacted, please provide new Tables 2-18 through 2-22.

2. Ref: 2-Energy Probe-8

- a) Please explain why there is no deferred revenue (capital contributions) shown in the updated continuity schedule for 2015.
- b) The response to part (d) is not complete. Please provide an updated Table 2-22 that reflects the lower closing balances shown in the response to part (c) for the 2015 bridge year. If applicable, please also update the 2016 continuity schedule to reflect the impacts of the previous clarification question. Please also include in the updated Table 2-22 the impact of the response to 2-SEC-23.

3. Ref: 2-SEC-23

- a) Please show the calculation of the reduction in the depreciation expense shown in the RRWF of \$828,390.
- b) Has the elimination of the negative net book value been reflected in the rate base calculation used in the RRWF?

EXHIBIT 3 – OPERATING REVENUE

4. Ref: 3-Energy Probe-15

Please explain the significant increase in GS < 50 and the decrease in GS > 50 customers in 2015 as compared to the forecast.

5. Ref: 3-Energy Probe-19

Why has the 2016 revenue for microfit customers of \$8,003 not been reflected in the forecast shown in Table 3-21A?

6. Ref: 3-Energy Probe-20

Please provide the dollar value of the costs for the items included in the response to part (b).

EXHIBIT 4 – OPERATING EXPENSES

7. Ref: 4-Staff-26

Based on the customer numbers in Table IRR-48, how many customers did HHHI have in 2011?

8. Ref: 1-Energy Probe-5 & 4-Staff-32

- a) Please break down the Management services cost from HHCEC of \$273,723 in 2016 into each of the components that make up the cost including such things as HHCEC Board of Directors, Board of Director costs, legal, audit, etc.
- b) The response to part (f) of 4-Staff-32 refers to return envelope costs. Does HHHI provide customers with return envelopes to pay their bills?

9. Ref: 4-Staff-24 & 4-Energy Probe-22

Please confirm that the figures shown in Table IRR-47 for the 2015 bridge year forecast are based on year to date actuals for all of 2015. If this cannot be confirmed, please indicate the last month of actuals for 2015 and provide the response to the question in 4-Energy Probe-22.

10. Ref: 4-Energy Probe-28

Please provide the dollar value of the OM&A expenses noted in the response to part (a).

11. Ref: 4-Staff-26 and 4-SEC-34

Please explain why the customer numbers in the versions of Appendix 2-L do not match.

EXHIBIT 5 - COST OF CAPITAL AND CAPITAL STRUCTURE

12. Ref: 5-Staff-40

The response indicates that the note payable has no fixed terms of repayment. Appendix 5-A in Exhibit 5 indicates that the note payable has a due date of December 31, 2020. Please reconcile.

EXHIBIT 6 - CALCULATION OF REVENUE DEFICIENCY OR SURPLUS

13. Ref: 6-Energy Probe-39

Based on any corrections resulting from the clarification questions, update, if necessary, the RRWF and provide an electronic version, along with an updated Tracking Form that highlights the changes.