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September 19, 2016

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Re: EB-2016-0160 –Hydro One 2017-2018 Transmission Cost of Service Application
Technical Conference Questions**

In response to Procedural Order No. 2 VECC is providing notification that it may seek clarification to responses to: I/T12/S5; I/T12/S6; I/T12/S7 ; I/T12/S13; I/T12/S16; I/T12/S21

In addition, and to help the Applicant prepare in advance we have the following specific questions of clarification (numbered following VECC's last interrogatories).

5.0 REVENUE REQUIREMENT AND LOAD FORECAST (EXHIBIT E)

5.0 – VECC - 43

Reference: Exhibit I/Tab 1/Schedule 144, page 2, lines 5-7/ OEB Decision, EB-2006-0501, page 91

Preamble: EB-2006-0501 Decision stated: The Board also agrees with the consumer group intervenors with respect to the impact of demand response programs. Hydro One's base forecast is weather-normal, which means that extreme weather events are excluded. It would seem logical to reduce the impact of demand response programs, which are most effective in extreme weather situations, when adjusting a weather-normal forecast."

- a) Please confirm that Hydro One has excluded DR savings from its load forecast consistent with the Board's Decision in EB-2006-0501.

5.0 – VECC -44

Reference: Exhibit I/Tab 12/Schedule 27 b) & c) /Exhibit I/Tab 12/Schedule 36

- a) The responses to VECC 27 b) & c) indicate that the actual MW savings from energy efficiency programs are assumed to be the same as forecast in the 2013 LTEP. However, in response to VECC 36 the actual MW savings from efficiency programs are reported to be different than forecast in both 2013 and 2014. Please reconcile.

5.0 – VECC -45

Reference: Exhibit I/Tab 12/Schedule 28 f)

- a) Please explain/clarify what is meant by the following statement:
“Considering there is no incremental peak reduction from existing and further demand response resources over the forecast period, Hydro One uses the implicit method to incorporate demand response impacts in load forecasting”.

5.0 – VECC -46

Reference: Exhibit I/Tab 12/Schedule 31

- a) Did Hydro One test to determine if the 20 trend was statistically significant? If yes, what were the results? If not, what would the results be?

5.0 – VECC -47

Reference: Exhibit I/Tab 12/Schedule 33

- a) How do actual electricity prices for 2013-2015 compare with those forecast in the 2013 LTEP?

6.0 REGULATORY ASSETS (EXHIBIT F)

6.0 – VECC -48

Reference: Exhibit I/Tab 4/Schedule 47, part b) / Exhibit I/Tab 12/Schedule 28

- a) VECC is aware that the IESO has produced 2015 Verified Results for individual distributors. VECC also notes (per VECC #28 a)) that the actual results for 2014 were available as of June 2015. When does Hydro One expect that 2015 province-wide results will be available?

6.0 – VECC -49

Reference: Exhibit I/Tab 12/Schedule 36 / EB-2014-0099, Exhibit 4, Appendix 4-N

- a) A review of the actual OPA Report for 2013 Verified Results indicates that the values used in the calculation rely on the first year results for 2011 and 2012 Energy Efficiency Programs and do not appear to account for the loss of persistence for 2013. Please confirm if this is the case and, if required, provide a revised calculation for 2013 that includes the projected loss in persistence.

7.0 COST ALLOCATION (EXHIBIT G)

7.0 – VECC – 50

Reference: Exhibit I/Tab 1/Schedule 147

- a) Rather than the revenues projected from Wholesale Meter Service fees, can Hydro One provide the revenue requirement for the Wholesale Meter rate pool, as requested in the original question?

8.0 RATE DESIGN (EXHIBIT H)

8.0 – VECC -51

Reference: Exhibit I/Tab 4/Schedule 66, part b)

- a) Why is it appropriate to consider only the change in export volumes when calculating the “average effective change to the ETS rate”?
- b) What would be the average effective change if the change in total volumes for both Ontario and exports was used?

8.0 – VECC -52

Reference: Exhibit I/Tab 11/Schedule 4, part a)

- a) Are the historical values presented weather-corrected? If not, please also provide the weather corrected values.

8.0 – VECC -53

Reference: Exhibit I/Tab 12/Schedule 25, part a)

- a) Please confirm whether the values reported in the table provided are correct as they are larger than the overall totals in Exhibit H1, Table 1.

As we continue to review the responses of interrogatories of the other parties we may have additional questions of clarification.

Yours truly,



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