

Energy Probe-1

Reference(s): General

Please file a single table that shows for comparison purposes the percentage rate increases for Horizon, Brampton, PowerStream and Enersource Rate Zones.

Response:

- 1 Table 1 below provides a comparison of the percentage increases, based on the total bill, for
- 2 each of the rate zones. This information is based on the updated Rate Generator and IRM
- 3 Models filed in response to Interrogatory G-Staff-9.

4

5 Table 1 - Total Bill Impact

Customer Class	Billing Units	Brampton RZ		Enersource RZ		Horizon Utilities RZ		PowerStream RZ	
		2019 vs. 2018		2019 vs. 2018		2019 vs. 2018		2019 vs. 2018	
		\$	%	\$	%	\$	%	\$	%
Residential	kWh	\$ (0.64)	(0.63)%	\$ (0.33)	(0.32)%	\$ (1.90)	(1.80)%	\$ (1.32)	(1.28)%
GS<50	kWh	\$ (0.39)	(0.15)%	\$ (0.17)	(0.06)%	\$ (2.63)	(0.99)%	\$ (1.94)	(0.74)%
GS 50-699 kW	kW	\$ (1.74)	(0.01)%	\$ 205.56	1.45%				
GS 50-4,999 kW	kW					\$ (225.71)	(1.59)%	\$ 76.27	0.69%
GS 500-4,999 kW	kW			\$ 673.46	1.02%				
GS 700-4,999 kW	kW	\$ 2.12	0.00%						
Large User	kW	\$ (13,813.88)	(1.07)%	\$ (690.86)	(0.18)%	\$ (5,649.07)	(1.68)%	\$ (9,401.55)	(2.48)%
Large User with Dedicated Assets	kW					\$ (18,110.63)	(1.47)%		
Street Lighting	kW	\$ 1,507.91	0.35%	\$ (0.34)	(13.94)%	\$ 79.82	0.03%	\$ 1.42	3.24%

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Energy Probe-2

Reference(s): Exhibit 2, Tab 1, Schedule 3, p. 2-7

Please explain the impact of the street lighting adjustment factor (SLAF) on the revenue to cost ratio (RCR) of sentinel lights. Why is the RCR for sentinel lights moving further away from 100% after the application of SLAF for Horizon RZ.

Response

1 The implementation of the Street Lighting Adjustment Factor ("SLAF") impacted the revenue to
2 cost ("RCR") of all classes, including sentinel. In its 2016 Annual Filing, Horizon Utilities updated
3 its cost allocation models for the years 2016 through 2019 that were based on the 2015-2019
4 Custom IR Decision to include the SLAF, consistent with the Board's Cost Allocation Policy,
5 issued June 12, 2015. As a result of implementing that change, the RCR for Street Lighting
6 increased to 160.09% from 81.35%. In accordance with the Cost Allocation Policy, Horizon
7 Utilities narrowed the RCR range for the class from 70%-120% to 80% -120%. In order to bring
8 the Street Lighting class into the OEB approved range, Horizon Utilities moved the Street
9 Lighting RCR to 120% in 2016. This adjusted the RCR for each of the other rate classes. In its
10 Decision, the OEB directed Horizon Utilities to reduce the RCR for the Street Lighting class
11 further, from 120% by 6.6% per year in each of 2017 to 2019.

Energy Probe-3

Reference(s): Exhibit 2, Tab 1, Schedule 6, p. 4, table 20

What is Joint Venture Net Income and why is it subtracted?

Response:

- 1 In 2012, Alectra Utilities predecessor PowerStream acquired a 50% interest in Collus
- 2 PowerStream which was determined to be a joint venture and represents an investment in the
- 3 non-regulated business as such the net income is subtracted to determine regulatory net
- 4 income.

Energy Probe-4

Reference(s): Exhibit 2, Tab 1, Schedule 6, p. 13, Table 29

What is Derecognition expense?

Response:

- 1 Derecognition is the removal of an asset from the statement of financial position on disposal or
- 2 when it is withdrawn from use and no future economic benefits are expected from its disposal.

Energy Probe-5

Reference(s): Exhibit 2, Tab 1, Schedule 6, p. 15

Please explain the reasons for the \$6,767,425 variance in the 2017 capital additions for Horizon Utilities RZ.

Response:

- 1 Please refer to Alectra Utilities' response to Interrogatory CCC-6 b).

Energy Probe-6

Reference(s): Exhibit 2, Tab 3, Schedule 10, p. 2, line 13

Please describe “the optimization process to ensure consideration for capital requests.”

Response:

- 1 Please refer to Alectra Utilities’ response to Interrogatory CCC-15.

Energy Probe-7

Reference(s): Exhibit 2, Tab 3, Schedule 10, p. 20

Please explain the practical application of cost sharing under the Public Service Works on Highways Act (PSWHA). Specifically, what projects are covered, which costs are shared and which are not shared, and is there a significant delay from the time the costs are incurred by Alectra Utilities and their partial reimbursement?

Response:

As outlined in the Bathurst Street Road Widening Business Case in Attachment 31, Alectra Utilities installs the majority of its electrical distribution infrastructure along road right of ways that are owned and managed by local and regional Municipalities corresponding to Alectra Utilities' service area at no cost to the utility. Alectra Utilities' distribution equipment occupies road allowances, at no cost to the utility. In return, Alectra Utilities is required to remove, relocate, or reconstruct its facilities, in order to accommodate the specific requirements of the road authorities. The road authorities' road works programs drive plant relocation scope and timing. Relocation of assets to accommodate road works impacts both overhead and underground distribution plant. Alectra Utilities remains compliant with the Public Service Works on Highways Act ("PSWHA") regarding regulatory obligations and recovery of capital contributions. As per the PSWHA, Alectra Utilities recovers capital contributions as agreed to with the road authority or, in the absence of agreement, based upon 50% of from the cost of labour (including saving device costs). The PSWHA applies to capital projects initiated by road authorities, which may include the Ministry of Transportation, a municipal corporation, board, commission, or other body having control of the construction, improvement, alteration, maintenance and repair of a highway and responsibility therefor.

It is Alectra Utilities' practice to establish a purchase order with a road authority before the start of a relocation project and to invoice the road authority on major project milestones. Final invoicing issuance may be delayed as Alectra Utilities gathers project costs and invoicing from contractors and suppliers. For complex projects were Alectra Utilities and the Road Authority have agreed to a specific apportionment of costs, as permitted by the PSWHA, payment of capital contributions may take longer if clarification of billing costs is required. Please also see Alectra Utilities' response to Interrogatory BOMA-6 for further explanation of specific apportionment of costs as it pertains to the YRRT project.