



PUBLIC INTEREST ADVOCACY CENTRE  
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

February 13, 2019

VIA E-MAIL

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board

Dear Ms. Walli:

**Re: EB-2018-0165 – Toronto Hydro-Electric System Limited (THESL) 2020-24 CIR Application  
Topics of Clarification - Vulnerable Energy Consumers Coalition (VECC)**

In accordance with Procedural Order No. 2 VECC may seek clarification in the following topics areas:

- |                         |                              |
|-------------------------|------------------------------|
| • Customer Engagement   | CIR Framework/Capital Factor |
| • OM&A                  | Compensation                 |
| • Capital Plans-DSP     | Unit Cost Benchmarking       |
| • Conditions of Service | DVAs                         |

We may have clarifications to the following interrogatories:

- |                |             |             |            |
|----------------|-------------|-------------|------------|
| • 1B-Staff-14  | 1B-Staff-25 | 1B-AMPCO-6  | 1B-VECC-6  |
| • 4A-Staff-122 | 4A-VECC-33  | 4A-VECC-36  | 4A-VECC-38 |
| • 4A-VECC-42   | 4A-VECC-45  | 9-Staff-150 |            |

In order to expedite the process we have also attached some written questions of clarification.

Yours truly,

Mark Garner  
Consultants for VECC/PIAC

Mr. Andrew Sasso, Director Regulatory Affairs, THESL  
[regulatoryaffairs@torontohydro.com](mailto:regulatoryaffairs@torontohydro.com)

For clarifications please contact Mark Garner at 647-408-4501 or [markgarner@rogers.com](mailto:markgarner@rogers.com)

<b>REQUESTOR NAME</b>	<b>VECC</b>
<b>TO:</b>	<b>Toronto Hydro-Electric System Limited</b>
<b>DATE:</b>	<b>February 13, 2019</b>
<b>CASE NO:</b>	<b>EB-2018-0165</b>
<b>TECHNICAL CONFERENCE</b>	<b>Clarification questions</b>

---

(Note: Number is consecutive from last VECC interrogatory)

#### **4.0 Load and Other Revenue Forecast**

##### **4.1 Is Toronto Hydro's 2020-2024 load forecast reasonable?**

VECC -TCQ - 61

Reference: 3-Staff-101

3-VECC-26 and VECC-28

- a) When does THESL expect to provide the load forecast update referenced in part Staff-101 b)?
- b) Will this update incorporate the more recent GDP forecast (per VECC 21 c)), the actual verified 2017 CDM savings (provided in response to VECC-28) and THESL's most recently approved CDM Plan (per VECC-26 a))?
- c) Can THESL undertake to file with the updated load forecast a revised responses to VECC 25 (if any adjustments are made to the historic CDM values used) and to VECC 26?
- d) Please provide a copy of the CDM Plan underpinning the load forecast submitted with the Application (per VECC-26 c)).

VECC- TCQ - 62

Reference: 3-Staff-105

- a) Please provide the linear trend model used for each customer class, the associated model statistics and the customer count projections through to 2024 derived from using the models.

VECC – TCQ - 63

Reference: 3-VECC-21 and 3-VECC-23

- a) Please update the volume forecasts for the various GS classes and the Large Use customer class using the more recent GDP forecast.

#### VECC- TCQ - 64

Reference: 3-VECC-29

- a) With respect to VECC 29 c), please confirm that the values for “Cumulative 2019 Persistence” are meant to capture the impact in 2020-2024 from CDM programs implemented in 2019 and earlier years.
- b) Please confirm that, for purposes of determining the “Cumulative 2019 Persistence” values, the impact from CDM programs implemented in 2016 and earlier years are based on verified results whereas for programs implemented in the years 2017-2019 the impacts are based on forecast of expected savings.
- c) If parts (a) and (b) are confirmed, please explain why the assumed impacts in 2020-2024 from CDM programs implemented in 2017-2019 should not be “trued-up” against the actual verified results using the LRAMVA.
- d) Please provide a response to VECC-29 d) as originally posed.

#### VECC- TCQ- 65

Reference: 3-VECC-29

- a) For purposes of calculating the actual achieved savings to be used in the LRAMVA does Toronto Hydro plan on using the Verified Net CDM Savings as reported by the IESO for the respective years 2020-2024?
- b) If not, what does Toronto Hydro plan on using as the basis for the actual CDM results?
- c) If not, please explain how the results it does plan on using represent the results of actual, verified impacts of authorized CDM activities undertaken by electricity distributors for both Board-Approved programs and OPA-Contracted Province-Wide CDM programs in relation to activities undertaken by the distributor and/or delivered for the distributor by a third party under contract (in the distributor's franchise area), as required by the Board's Filing Guidelines.

### **4.2 Are Toronto Hydro's 2020 other revenue and shared services forecasts reasonable?**

#### VECC – TCQ - 66

Reference: 3-VECC-30 c)

- a) Please confirm that for \$0.24 M represents incremental revenues for Toronto Hydro in 2019 and subsequent years.
- b) Does the proposed amendment to the Conditions of Service result in incremental costs that were not incurred prior to 2019?

## **7.0 Cost Allocation and Rate Design**

### **7.1 Are Toronto Hydro's cost allocation and revenue-to-cost ratio proposals appropriate?**

VECC- TCQ - 67

Reference: 7-Staff-145 b)  
7-VECC-56

- a) Please explain why Toronto Hydro is proposing to increase the revenue-to-cost ratios for GS<50, Large Use and USL when their status quo ratios are higher than the proposed ratio for the Large Use class. Why not, instead, increase the ratio for the Large Use class further to 85.9% (per VECC-56)?

VECC- TCQ - 68

Reference: 7-VECC-54  
Board Directions on Cost Allocation Methodology For Electricity  
Distributors ,Cost Allocation Review – EB 2005 0317, pages 30-31

- a) The response to VECC-54 a) suggests that some of assets whose costs are being directly assigned are used jointly by both Street Lighting and USL. Please confirm whether or not this is the case.
- b) If some are jointly used by both classes please indicate why direct assignment is appropriate given the Board's policy that direct assignment only be used for distribution facilities/costs that are dedicated exclusively to only one customer rate classification.
- c) In VECC 54 b) the question was not asking about specific service arrangements Toronto Hydro has made with customers but rather for a description of how service is provided to customers in these classes such that there are assets in the referenced accounts that are dedicated exclusively to serving one customer rate classification. Please address this question.

### **7.2 Are Toronto Hydro's proposals for rate design (including, but not limited to, fixed / variable split, loss factors, retail transmission service rates, specific and other service charges) appropriate?**

VECC- TCQ-69

Reference: 8-Staff-146 b)

- a) Can a customer contract for a (Standby) Contract Backup Demand that is less than the face plate rating of its generation? If yes, does Toronto Hydro place any limits (e.g. minimums) on the amount that can be contracted?
- b) If the response to part (a) is yes, how does Toronto Hydro determine whether or not a customer has exceeded its Contracted Backup Demand in any given month and what happens if this situation occurs?

- c) Assume a situation similar to Example 1 in terms of the Contract Demand and Generator Face Plate Rating, but where the Generation has no downtime during the month but is not operating at full capability (i.e., 2,000 kVA) at any time during the month. Based on this situation how would the monthly charges for Standby be determined?
- d) Assume a situation similar to Example 2 in terms of the Contract Demand and Generator Face Plate Rating, but that the difference between the peak demand when generation fully operational and when generation was off was only 1,000 kVA. Based on this situation how would the monthly charges for Standby be determined?

**7.3 Is Toronto Hydro's approach to cost responsibility for customer service charges under its conditions of service appropriate?**

VECC-TCQ- 70

Reference: 1A-CCC-6

- a) For the following sections of the Conditions of Service please provide the original language and the amended language:
  - I. Section 1.7.1- Access to Customer Property
  - II. Section 2.2.1 – Disconnection & Reconnection Process and Charges
  - III. Section 1.1.1 – Distribution Overview
  - IV. Section 2.2 – Disconnection
  - V. Section 2.4.3 – Deposits
  - VI. Section 1.7.3 – Tree and Vegetation Management
  - VII. Section 1.7.5 Customer-Owned Equipment, Infrastructure and Property
  - VIII. Section 2.1.2.3 – Expansion Deposits
  - IX. Section 2.2.1 – Disconnection & Reconnection – Process and Charges

**END OF DOCUMENT**