

**London Hydro Inc.
Follow-up to Responses to Staff Questions
EB-2020-0038**

Follow-up 1

Ref: (1) Response to Staff Question 6
(2) EB-2016-0091, Load Forecast Model, tab “CDM”, filed with settlement proposal (Feb 9, 2017)
(3) EB-2016-0091, 2017 Decision and Rate Order, s 3.1 of settlement proposal, page 26 of 50

In reviewing London Hydro’s load forecast model filed in the 2017 COS proceeding, there was a 0% allocation of 2015 savings included in the LRAMVA threshold. This implies that all CDM savings prior to 2016 were included as actual CDM savings in the 2017 load forecast, as the LRAMVA threshold should only be capturing forecast savings impacts. This is further confirmed in the settlement proposal:

- An addition of 15.5 GWh to billed kWhs [sic] to reflect the trend of historical 2006 – 2015 CDM which is already included in the underlying forecast amount.

As 2015 savings amounts were added back to the load forecast as actuals, it was not included in the updated LRAMVA threshold. As a result, it makes sense that it only includes forecast savings from 2016 and 2017.

Based on the forecast amounts included as part of the LRAMVA threshold, it implies that the persistence impact from 2011-2015 programs has already been captured at their actual values in load.

- a) As actual 2011-2015 CDM amounts were fully incorporated in the updated load forecast for new rates beginning on May 1, 2017, please provide rationale for seeking lost revenues related to persisting 2011-2015 savings for the full calendar year in 2017.

LH Response

When London Hydro settled our 2017 final load forecast it was created using up to 2016 actual consumption wholesale kWh data which in fact would have included all natural CDM persistence to December 31, 2016 for programs up to 2014, full 2015 actual programs with residual persistence to Dec 31, 2016 and the results of actual 2016 programs introduced that year. With the settlement we reduced the load forecast for the

half year projected carryover of 2016 projects in the amount of 18,721,667 kWh and 16,335,259 kWh for half year 2017. This was a natural transaction based on updated values. However the settlement then required “An addition of 15.5 GWh to billed kWh’s to reflect the trend of historical 2006 – 2015 CDM which is already included in the underlying forecast amount”. London Hydro’s perception of this settlement request suggests that the action by adding back the 2006 to 2015 persistence amount of 15.5 GWh results in erosion of the natural fact that persistence affected load reduction that should have been included in the load forecast is erased. Hence this action in effect removed our opportunity to recover any past persistence post 2016. London Hydro stands by our claim by this action in effect puts London Hydro back in position to legitimately claim the 2011 to 2015 persistence as filed, subject to adjustment suggested below.

2017 Modeled Purchases	3,226,441,830
Loss Factor 1.0312 Adjustment	(97,619,264)
Sub Total	3,128,822,566
Add Back 2006 to 2015 persistence	15,500,000
Base Load Forecast	3,144,322,566
50% 2016 CDM Projects	(18,721,667)
50% 2017 CDM Projects	(16,335,259)
Sub Total	3,109,265,640
WMP	17,674,182
2017 Load Forecast	3,126,939,822

- b) If London Hydro seeks to include 2011-2015 persistence impacts in its LRAMVA balance, please update the LRAMVA balance to include lost revenues from persisting 2011-2015 CDM savings in the Jan-April 2017 period (specifically, for the first 4 months of 2017, as new rates were not in effect until May 1, 2017).

LH Response

London Hydro intends to recover the lost revenues only from the CDM effects which are not included in its load forecast. As detailed in response to part a, the impact of the 15.5 GWh adjustment resulted in volumetric increases to all rate classes thereby reducing the calculated volumetric distribution rates, and removed the opportunity to recover lost revenues from 2011-2015 persistence. Therefore, London Hydro respectfully requests the consideration of the full 2017 claim as originally submitted.

- c) Please re-file the LRAMVA workform(s) with the proposed changes.

LH Response

N/A