

**ONTARIO ENERGY BOARD  
IN THE MATTER OF AN APPLICATION BY  
HALTON HILLS HYDRO INC. (“HHHI”)  
2021 COST OF SERVICE APPLICATION  
CLARIFYING QUESTION RESPONSES FROM HALTON HILLS HYDRO INC.**

**OEB STAFF CLARIFYING QUESTIONS AND RESPONSES**

**1 - STAFF CQR – 80**

**1-Staff-80**

**Ref: 1-Staff-5**

Question(s):

- a) Please identify all one-time cost savings included in 1-Staff-5 Attachment.
- b) Please provide a breakdown of the 2300 total annual hours of savings by Department (Department as shown in Table 24 of Exhibit 4).

**Response:**

- a) Table Staff CQR 1 shows the one-time cost savings.

**Table Staff CQR 1 – Innovations Completed or in Progress to the end of 2019 – One-time Cost Savings**

Innovation Idea	Details	Status	Estimated \$ Savings	Savings Type	Year	Justification
Survey RFQ	Create a standard RFQ for survey work to reduce cost land survey costs. Savings listed are one time but potential for ongoing savings	Completed	\$ 35,000	Capital - Avoided Cost	2018	One time Avoided Costs - based on quote evaluation
Concrete Encasing Ducts	Evaluate requirements for concrete encased duct banks - cost savings achieved where they are not needed, such as under driveways. Savings are to date	Completed	\$ 25,000	Capital - Avoided Cost	2018	One time Avoided Costs - calculated based on estimated cost for concrete encasing
Back Hoe	One time cost savings - sold back hoe attachment not in use	Completed	\$ 500	Misc Revenue	2018	One time miscellaneous revenue
Stock used insulators and stand off brackets to be used as Aux. arms for temporarily relocating primary conductor	One time cost savings through reuse of insulators and stand off brackets	Completed	\$ 9,200	OM&A	2019	One time cost savings
RFQ Pole Testing for 2020 and revisit necessity to test 1200 poles per year.	Cost savings through new pole testing RFQ	Completed	\$ 2,000	OM&A - Avoided Cost	2019	Avoided costs - one time through RFQ process
COS Customer Engagement - cost savings	Use of online customer engagement portal to conduct COS customer engagement internally. One time cost savings compared to average consultant costs	Completed	\$ 60,000	OM&A - Avoided Cost	2019	One time avoided costs compared to quotes from consulting companies providing similar services used by
Garage Floor Painting	Staff to paint floors after hours to save on contract labour - cost avoidance	Completed	\$ 7,000	OM&A - Avoided Cost	2019	Cost avoidance compared to costs for external labour
Public Safety Survey in house	Use of customer engagement platform implemented for COS to conduct public safety survey in house - one time saving - repeatable biannually	Completed	\$ 15,000	OM&A - Avoided Cost	2019	OM&A -One time cost avoidance compared to 3rd party phone survey companies
<b>Total Estimated Avoided Costs</b>			<b>\$ 144,000</b>			
<b>Total Estimated Savings</b>			<b>\$ 9,700</b>			
			<b>\$ 153,700</b>			

- b) Table Staff CQR 2 shows the breakdown, by department, the hours of savings.

**Table Staff CQR 2 – Innovations Completed or in Progress to the end of 2019 – Hours of Savings**

Innovation Idea	Details	Status	Estimated Hours Savings	Savings Type	Justification
Purchase full version of Adobe for preparation of board meeting packages	Time savings in creation of board packages	Completed	50	Administration	Staff estimate of time savings - incremental over time - process improvement
Mail Machine	Time savings through improved maintenance schedule	Completed	30	Customer Care and Billing	Staff estimate of time savings - incremental over time - process improvement
Lockbox reduced time to process errors	Lockbox payment processing improvements	Completed	125	Customer Care and Billing	Staff estimate of time savings - incremental over time - process improvement
Increase E-billing	Continue to promote e-billing - annual savings	In Progress	5	Customer Care and Billing	OM&A - estimated cost savings based on postage and paper costs per bill - 12 bills per customer per year and assumed increases in e-billing customers
New customer welcome packages	Time savings through improved customer information	In Progress	35	Customer Care and Billing	Staff estimate of time savings - process improvement
Cell Phone for Engineering Clerk	Improved communications, reduce need for after hours call outs for service connections	Completed	25	Engineering	Staff estimate of time savings - incremental over time - process improvement
Identify when service upgrades are not needed.	Time savings through improved documentation of existing service conditions	Completed	80	Engineering	Staff estimate of time savings - incremental over time - process improvement
Standards on Crew iPad's.	Annual time and cost savings through providing crews with access to engineering standards on iPads instead of paper	Completed	10	Engineering/ Operations/ Substations	Staff estimate of time savings - incremental over time - process improvement
Microsoft Surface Pro	Improved efficiency through field work being captured electronically	Completed	120	Engineering/ Operations/ Substations	Staff estimate of time savings - incremental over time - process improvement
Electronic Circle Checks	Consider electronic vehicle inspections instead of paper	In Progress	5	Engineering/ Operations/ Substations/ Metering	Staff estimate of time savings - process improvement
Materials inventory - job estimations	Improved efficiency in job estimating and material ordering through creation of 'virtual warehouses' in estimation tool 'Quadra'	In Progress	100	Engineering/ Stores/ Stockroom	Staff estimate of time savings - process improvement
Timesheets	Improved accuracy - review of timesheets	Completed	20	Finance & Regulatory	Staff estimate of time savings - incremental over time - process improvement
Review of postings without leaving batch	Simplify journal entry process - time savings	Completed	15	Finance & Regulatory	Staff estimate of time savings - incremental over time - process improvement
Sealing Envelopes	Time savings through automation of envelope sealing	Completed	10	Finance & Regulatory	Staff estimate of time savings - incremental over time - process improvement
Online access to TD Visa statements	Time savings	Completed	5	Finance & Regulatory	Staff estimate of time savings - incremental over time - process improvement
Transition reporting from Regulatory to CC staff	Time savings and process improvements in monthly reporting	Completed	25	Finance & Regulatory	Staff estimate of time savings - incremental over time - process improvement
Document Management	Improved document management	In Progress	45	Finance & Regulatory	Staff estimate of time savings - process improvement
Smart Lists	Process improvements around query tools in ERP system	In Progress	10	Finance & Regulatory	Staff estimate of time savings - process improvement
Locates Administration	Improvements to utility locate administrative processes	Completed	260	Locates	Staff estimate of time savings - incremental over time - process improvement
Alternate Locate Agreements	Labour savings through ALAs with other contractors and utilities	In Progress	250	Locates	Staff estimate of time savings - process improvement
Dufferin -Acton meter	Manual meter readings were required until a replacement meter was available. Meter has been replaced	Completed	20	Metering	Staff estimate of time savings - incremental over time - process improvement

**Table Staff CQR 2 – Innovations Completed or in Progress to the end of 2019 – Hours of Savings (cont'd)**

Innovation Idea	Details	Status	Estimated Hours Savings	Savings Type	Justification
Metering Information Plan Database	Improved document management around metering information	In Progress	50	Metering	Staff estimate of time savings - process improvement
Traveler corner bracket for K-Line insulators	Time savings in pole framing and stringing	Completed	50	Operations	Staff estimate of time savings - incremental over time - process improvement
Electronic records - Grounds testing	Electronic form for annual grounds testing	Completed	5	Operations	Staff estimate of time savings - incremental over time - process improvement
Tool to lift lids on URD boxes	Slab lifters purchased - safety improvements	Completed	10	Operations	Staff estimate of time savings - incremental over time - process improvement
Stock used insulators and stand off brackets to be used as Aux. arms for temporarily relocating primary conductor	One time cost savings through reuse of insulators and stand off brackets	Completed	115	Operations	One time cost savings
Automating Smart Switches	Combined with SCADA item	In Progress	25	Operations	Staff estimate of time savings - process improvement
Material storage at back of trucks	Time savings through maintaining truck stock	In Progress	520	Operations/ Stores/ Stockroom	Staff estimate of time savings - process improvement
Electronic Substation Inspections	Electronic substation inspections - time savings	Completed	40	Substations	Staff estimate of time savings - incremental over time - process improvement
Substations - battery testing form	Electronic battery testing form - time savings	Completed	10	Substations	Staff estimate of time savings - incremental over time - process improvement
Substation Files	Improved document management - scanning of paper records	In Progress	15	Substations	Staff estimate of time savings - process improvement
GIS Integration with CIS	Automate integration of meter exchanges in CIS into GIS	Completed	95	System Planning/ Customer Care & Billing	Staff estimate of time savings - incremental over time - process improvement
<b>Total Estimated Savings</b>			<b>2,180 *</b>		

*\*NOTE: The highlighted item was listed twice in the original list. Total estimated efficiency gains are 2180 hours, not 2300.*

## The New Municipal Transformer Station

### 2 - STAFF CQR – 81

#### 2-Staff-81

Ref: 2-Staff-6, 2-SEC-9

Question(s):

- a) HHHI stated that “During the commissioning process, a significant customer event occurred that caused unforeseen additional commissioning requirements.” What was this “significant customer event”? What “additional commissioning requirements” were discovered?
- b) Please explain drivers that lead to variances between actual and approved costs for the “Digital & Numeric Relays” category as shown in the updated Table 41 in response to 2-SEC-9. (e.g. Were there any new functions/features added to the Digital & Numeric Relays compared to the original plan in EB-2018-0328?)
- c) Please explain drivers that lead to variances between actual and approved costs for the “Remote SCADA” category as shown in the updated Table 41 in response to 2-SEC-9. (e.g. Were there any new functions/features added to the Remote SCADA compared to the original plan in EB-2018-0328?)

#### Response:

- a) On May 16, 2019, an over-voltage event occurred at the time switching was being completed to move customer load to the new MTS.

Due to this event, switching was not completed and further commissioning activities were undertaken.

Through the course of investigating the incident there were deficiencies identified both in process and equipment which were rectified through the additional commissioning as well as the items addressed in HHHI’s responses to parts b and c below.

- b) The significant changes related to Digital & Numeric Relays were as a result of items identified through additional commissioning. These changes, in conjunction with the SCADA changes, ensured consistency for the control room. Additional testing ensured results were as expected.
- c) The significant change to the Remote SCADA was a redesign of the screens as viewed by our control room to ensure consistency with other operating screens used by the control room staff. The redesign work consisted of changes to the physical layout and labeling schema used on these screens as well as in depth testing of all of the screens to ensure displayed results were as expected.

## Distribution System Plan

### 2 - STAFF CQR – 82

#### 2-Staff-82

**Ref:** 2-Staff-12, 2-Staff-19

Question(s):

- a) When asked about how asset condition is quantitatively calculated, HHHI stated that for poles, asset conditions are based on annual testing results and age, while for transformers and most substation data, asset conditions are calculated based on age only. Please confirm Table 7 in the LOS and DSS Implementation report (Exhibit 2, page 384) shows the approach HHHI currently uses to determine asset conditions (Very Good, Good, Fair, Poor, and Very Poor). If not confirmed, please explain how other factors (e.g. annual testing results for poles) are reflected in the calculation of asset conditions.
- b) Please explain if there is any connection between the annual budget of \$1.2 million for poles in the DSS (Exhibit 2, page 384, Table 8) and the proposed budget for the pole replacement program (\$624,199 for 2021).

#### Response:

- a) Confirmed. The table in the DSS is based on current practice. Pole data is evaluated based on age and condition while transformers and most substation data is based solely on age.
- b) The annual budget of \$1.2 million was based on budget levels established in the prior DSP. The DSS was originally created to establish a baseline. The intention is to update it based on current budget information and review the impacts.

## 2 - STAFF CQR – 83

### 2-Staff-83

Ref: 2-Staff-35

Question(s):

- a) HHHI provided its impact rating guidelines and likelihood rating guidelines associated with the project prioritization approach. Using the Acton PoleTrans Phase 2 project as an example, please explain how the impact score of 4 and probability score of 3 were determined (i.e. how does HHHI determine the weighting for the four types of risk).

### Response:

- a) As it relates to the impact and probability scores for the Acton Poletrans project, the impact rating of 4 signifies that should this type of obsolete asset fail unexpectedly, there would be existing significant operational challenges, damage to HHHI's reputation and unplanned financial impacts to restore power. Poletrans transformers are obsolete, thus, HHHI cannot readily purchase replacements. As well, the type of transformer is not compatible with current padmounted transformer technology. Hence, when a poletrans transformer is replaced, a new concrete foundation and padmounted transformer need to be installed along with re-routing and extending primary and secondary cables into the new transformer foundation, splicing, and re-terminating the primary cables. Additionally, the municipality that owns the street light system supplied by HHHI, would need to make temporary repairs and transfer the supply to the padmounted transformer. This work poses a significant unplanned investment, hence, an impact rating of 4.

The probably or likelihood rating of 3 reflects that in past years, HHHI has replaced poletrans transformers that were in a deteriorated condition. In 2016, HHHI replaced a rotted poletrans D10T232 in Georgetown with a padmounted transformer following inspection with the Operations department. Hence the rating of 3 "Somewhat Likely" occurring once every 1 – 5 years is justified.

## 2 - STAFF CQR – 84

### 2-Staff-84

**Ref:** 2-Staff-23, 2-Staff-29

Question(s):

- a) HHHI indicated that at the time of writing the DSP, except for the 1M2 feeder, all other feeders originating at HHHI's municipal transformer station were not carrying any load. What's the current loading on these feeders except 1M2?

### **Response:**

- a) The current loading on all other feeders at HHHI's Municipal Transformer Station is 0 MW.

## CDM Adjustment

### 3 – STAFF CQR – 85

#### 3-Staff-85

Ref: 3-Staff-40 d)

Question(s):

- a) Please apply a half year adjustment to the savings of customer 1 (3,169,000 kWh) and confirm the applicable update(s) to the Load Forecast model.
- b) As 3,169,000 kWh savings are full-year savings in 2021 estimated by the utility, please confirm whether the pre- and post- consumption is based on billed demand data. How was the base case estimated?
- c) Please clarify why Halton Hills Hydro has not requested a corresponding LRAMVA threshold for this PSUI-CHP project. Please confirm the appropriateness of not requesting a corresponding LRAMVA threshold of 3,169,000 kWh for this project.

#### Response:

- a) The requested version of the Load Forecast Model with follow.
- b) The 3,169,000 kWhs savings were not estimated by HHHI but rather were determined by customer's consultant and shown in the cost/benefit analysis. The base case was determined by the customer's consultant using on billed values.
- c) HHHI is requesting LRAMVA amounts for projects up to and including 2018, thus, this project is not included. The implementation of this PSUI-CHP is expected to be 2021.



## OM&A

### 4 - STAFF CQR – 86

#### 4-Staff-86

**Ref:** 4-Staff-55

Question(s):

- a) Please explain how the 2021 vegetation management cost of \$300,000 was forecasted and why an increase of 48% from the 2019 actual spending is necessary.

#### **Response:**

- a) Vegetation Management (VM) for 2019 Actual was \$202,893 on a 2019 Budget of \$300,000; the underspend variance of \$97,107 is a result of the arborist contractor not being able to complete all the required work in 2019, resulting in a carry-over of approximately \$75,000 into 2020. If all of the 2019 work was completed as planned, the 'normalized' 2019 VM would have been \$277,893. Therefore the 2021 Test Year Budget for VM of \$300,000 is an increase of 8.0% over the two year period, not 48%.

#### 4 - STAFF CQR – 87

##### 4-Staff-87

**Ref:** 4-Staff-56, 4-VECC-26

Question(s):

- a) When asked about the historical and forecast wage increase for non-union /management employees, HHHI stated that “All employees received 2%.” Responses to 4-Staff-56 shows no changes in number of employees in management positions (including executive) over the period of 2019 to 2021. The 2021 budgeted expense for executive and management positions is 21% higher than 2019 actual (per Table VECC IRR-17, Account 5605 and 5610). Please explain why the budgeted expense is reasonable given the forecasted wage increase of 2% for management positions.
- b) Please explain the difference between the capitalized compensation cost of \$2,187,920 as shown in Table Staff IRR-14 for 2021 and the capitalized labour cost of \$601,321 as shown in Appendix 2-D for 2021.

##### Response:

- a) The 2021 test year budgeted expenses for executive and management positions are inclusive of the two executives plus allocation of Executive Assistant, Human Resource Manager and Project Manager. In 2019 management labour costs, directly attributed to major capital projects were capitalized, while the 2021 test year budget reflects a smaller portion of direct management labour costs allocated to capital.
- b) The capitalized compensation cost of \$2,187,920 as shown in Table Staff IRR-14 for 2021 is the total compensation HHHI budgeted to be capitalized in 2021. The capitalized labour cost of \$601,321 as shown in Appendix 2-D for 2021 is overhead portion of the labour costs; HHHI budgeted to be capitalized in 2021.

#### 4-Staff-88

**Ref:** 1-Staff-3 (part c), 4-Staff-52, 4-SEC-29

Question(s):

- a) With respect to the \$279.7k budget to support the Town of Halton Hills' Corporate Energy Plan. Please clearly explain why it is appropriate to request ratepayer funding for any initiatives of the Town.
- b) Following up on the response to 4-Staff-52, part e), regarding the budget to assist with the installation of EV charging stations, please:
  - i. Explain why it is appropriate to request ratepayer funding for the “annual maintenance of the facilities”.
  - ii. Explain why budget on “studies into other locations to expand the Town’s EV charging network” cannot be covered under the budget for “Preparing for EV Charging Impacts”.
  - iii. Provide the planned in-service date (i.e. year) for each of these EV charging locations.
  - iv. OEB staff notes that the Town budgeted \$27,000 for EV charging station implementation over the period of 2019-2025.<sup>1</sup> Please explain who (HHHI or the Town) will complete the installation work for these potential charging locations listed in 4-Staff-52.
- c) In response to 4-Staff-52, part g) ii), it is unclear what the \$60K budget was based on to develop the Home Retrofit Acceleration pilot/program. Please explain what types of measures, savings (electricity and/or gas) and cost-effectiveness of the measures that the Town of Halton Hills is considering to incent or accelerate through this program.
  - i. Please provide evidence of a business case for this potential CDM program. If a business case is not available, please discuss the potential benefits of this proposed program to its utility customers.
  - ii. Please discuss how the LDC/Town will ensure that there is no duplication with IESO’s provincial programs.
- d) In response to 4-Staff-52, part h), it is stated that the \$53K budget to hire a Climate Change Coordinator position may be an employee of the Town or the LDC. Please confirm whether it is now known that this position will be an employee of HHHI or the Town of Halton Hills.
  - i. Please address the originally posed question in part h) ii) on whether this cost-shared position is expected to contribute towards LDC initiatives of the regulated utility.
- e) In response to 4-Staff-52, part i), the benefits of funding a university microgrid/CHP demonstration project to the utility were not discussed. Please clearly discuss how the requested costs are expected to benefit the regulated utility and its customers.

#### Response:

- a) As a resilient, environmentally conscious utility, HHHI believes that undertaking these projects help the local community address climate change while ensuring the utility is resilient in the future.

Utilities need to provide safe and reliable service while ensuring prudent investments. Investing in climate change is imperative, not only for HHHI and the Town of Halton Hills, but for the Province and the Country. Climate change impacts are becoming more evident, and more damaging each year. It behooves us, as a socially responsible utility, to be a part of the solution now to prepare for the future.

<sup>1</sup> Town of Halton Hills, 2020-2025 Corporate Energy Plan, Page 30, Table 9.

Planning for climate change now makes sense from a corporate stewardship perspective, from a risk management perspective and as an environmental obligation to our employees and our community.

Please see:

Halton\_Att\_Staff\_CQR-88(A)\_Legal\_Climate\_Change\_20201211 and  
Halton\_Att\_Staff\_CQR-88(B)\_Electrification\_Transportation\_20201211

b) EV Charging Stations

- i. As identified in HHHI's response to part a), HHHI views building climate change as an imperative to build utility resilience and lead our community in efforts to mitigate climate change impacts.
- ii. The preparing for EV Impacts budget is for specific feeder analysis engineering studies to be performed by Hatch. These studies look at power quality impacts of charging on specific feeders. These are technical studies at the feeder level and do not look at site specific requirements.

The study to look at locations for EV charging are at a more granular level and involve working with the Town on a number of factors including site availability, need based on population or type of commercial businesses or Town facilities near by as well as specific utility infrastructure at that location including sizing of transformers.

- iii. As per the plan, the intention is to install the EV chargers over the next five (5) years. Specific install dates at specific locations have yet to be determined.
- iv. This will be determined in conjunction with the Town.

c) Home Retrofit

- i. A business case including detailed program design is in development.

The benefits to utility customers will be a locally designed and delivered program to address energy conservation needs within the Town of Halton Hills. The main focus of the program will be reduction in carbon emissions and switching away from fossil based heating fuels.

- ii. As part of the business case development, the LDC and Town will ensure that there is no duplication with IESO's provincial programs.

d) Climate Change Coordinator

- i. It is not known at this time whether the position will be an employee of the Town or HHHI. In response to part h)ii), this will depend on whether the position is an employee of the Town or HHHI.

e) As an innovative and forward thinking utility, HHHI embraces the opportunity to participate in research leading to reducing GHG emissions and creating a community energy system of the future.

The goal of the ICE-Harvest project is to reduce energy costs for ratepayers through increased utilization of existing energy resources, as well as providing services to the electrical grid with advanced demand management and energy control strategies of local DER assets. ICE-Harvest systems are fully compatible with the Distributed System Operator model where embedded

DERs are controlled in real time to support the local distribution system. The dispatchable loads and generation assets that make up ICE-Harvest systems can provide cost effective Non-Wire Alternatives to distribution and transmission grid expansion. Local buildings connected to ICE-Harvest systems through self-powering thermal and electric microgrids will be provided with both electrical and thermal resiliency during electrical grid disruptions, such as those caused by extreme weather events. Through harvesting waste energy resources locally, energy costs savings can be passed on to ratepayers while simultaneously reducing GHG emissions.

## Promissory Note

### 5 - STAFF CQR – 89

#### 5-Staff-89

**Ref:** 5-Staff-64, 5-Staff-67, 5-SEC-42

Question(s):

- a) The Promissory Note with the Town of Halton Hills (Exhibit 5, Appendix 5-1) shows that the amount of \$16,141,970.52 is due on December 31, 2020. HHHI also stated that “On December 17, 2019 the Town of Halton Hills agreed to a change in the repayment schedule of the promissory note with terms commencing in 2020 due on or before April 1<sup>st</sup> each calendar year with a maturity date of no later than April 1, 2025”. Please confirm the principal amount of this Promissory Note was \$13 million as of April 1, 2020. Please also confirm the principal amount of this Promissory Note will be \$10.2 million as of April 1, 2021.
- b) Was there a new Promissory Note assigned with the Town of Halton Hills supporting the repayment schedule agreed-upon on December 17, 2019? If so, please provide a copy. If not, please explain why a new Promissory Note is not necessary.
- c) HHHI stated that “The Promissory Note payable to the ultimate shareholder is being refinanced over the period through to 2025, at interest rates lower than the current 4.12% interest rate”. Response to 5-Staff-67 provides interest rates for 2001 to 2020. Please specify the interest rate for 2021.

#### Response:

- a) HHHI confirms the principal amount of this Promissory Note was \$13 million as of April 1, 2020. HHHI confirms the principal amount of this promissory note is forecast to be \$10.2 million as of April 1, 2021.
- b) A new Promissory Note, reflecting the agreed-upon repayment schedule is expected to be approved by Council early in 2021.
- c) The 2021 Interest Rate is as follows:
  - January 01, 2021 to March 31, 2021 is 4.12%
  - April 01, 2021 to December 31, 2021 is 2.85%

## Cost Allocation

### 7 – STAFF CQR – 90

#### 7-Staff-90

**Ref: 7-Staff-76, Exhibit 8, pp 16-17**

Question(s):

- a) Based on the tariff wording at Exhibit 7, pages 16 and 17, please indicate how a customer would determine what capacity factor would apply to a generator.
- b) If a customer wishes to use a meter to determine load displaced, rather than rely on generator nameplate capacity, would the option be available to them?
- c) Does HHHI plan to apply gross load billing based on when its upstream transmitters charge it? If so, does HHHI want to set a threshold for gross load billing on the same basis as the IESO and its host distributor?
- d) Has HHHI determined what capacity factor would apply to the battery storage customer, and whether gross load billing would apply?

#### Response:

- a) The capacity factor would not be determined using the tariff wording. The agreement would be between HHHI and the customer. If the parties could not come to an agreement, then the dispute resolution process as identified in HHHI's Conditions of Service would apply.
- b) HHHI would be open to using a meter to determine load displacement, rather than rely on generator nameplate capacity.
- c) HHHI has become aware that its upstream transmitter intends to gross load bill for any generation or battery storage. As such, HHHI would want to set a threshold for gross load billing on the same basis as the IESO and its host distributor.
- d) HHHI did not determine a capacity factor for the battery storage customer as the customer will still be withdrawing the same amounts, just shifting the time of the draw, thus, HHHI remains whole. Additionally, the battery storage customer does not require a reserve capacity as it will be drawing its maximum load from the distribution system. However, after continuing discussions with the HHHI's upstream transmitter, gross load billing will likely apply to the battery storage customer.