



PUBLIC INTEREST ADVOCACY CENTRE
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October 14, 2021

VIA E-MAIL

Ms. Christine Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: EB-2021-0042 Milton Hydro Distribution Inc. Low Voltage Service Rate
Interrogatories of Vulnerable Energy Consumers Coalition (VECC)**

Attached please find VECC's interrogatories in the above proceeding.

Yours truly,

John Lawford

Counsel for VECC

Copy to: Dan Gagic Director, Regulatory Affairs

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EB-2021-0042

**Milton Hydro Distribution Inc.
Application for electricity distribution rates
effective January 1, 2022**

**VECC Interrogatories
October 14, 2021**

VECC-1

Ref: Manager's Summary, Section 3.4.2, Page 43

Preamble: Milton Hydro is proposing an adjustment to the Low Voltage Service Rates which were previously set in its 2016 Cost of Service (CoS) Proceeding. Milton Hydro indicates the proposed approach is in the best interest of Milton Hydro's customers as it provides relief on a timely basis and smooths bill impacts that may result from rebasing Milton Hydro's distribution rates in 2023.

- a) Please provide the expected bill impacts by customer class resulting from the 2023 rebasing application.
- b) If the forecast bill impacts for 2023 are not known at this time, please provide the rationale for making this adjustment now.

VECC-2

Ref: EB-2015-0089 Exhibit 8, Page 11

Preamble: In the 2016 CoS application, Milton Hydro provided the Low Voltage cost analysis as per Table 8-12 below. The material variance for 2013 over 2012 was the connection of Milton Hydro to Oakville Hydro's Glenorchy TS in August 2013. The material difference in 2014 over 2013 was a full year of service from Glenorchy TS.

**Table 8-12
Low Voltage Cost Analysis**

Utility	2012	2013	2014	2015 Bridge	2016 Test
Hydro One	234,308	210,005	232,559	235,000	235,000
Oakville Hydro		142,737	292,077	300,000	300,000
Total	234,308	352,742	524,636	535,000	535,000

- a) Please provide 2015 and 2016 actual low voltage costs.

VECC-3

Ref: Manager's Summary, Section 3.4.2, Page 46

Preamble: Table 17 below provides Milton Hydro's three most recent historical years of costs and billed demands by Host Distributors. The 2020 Actual costs were used to calculate the LVSRs for 2022.

Table 17: Historical Low Voltage Volumes and Charges						
Year	Low Voltage Payments to Hydro One	Low Voltage Payments to Oakville Hydro	Low Voltage Payments to Host Distributors	Hydro One Billed Demand (kW)	Oakville Hydro Billed Demand (kW)	Total Host Distributor Billed Demand
2018	\$ 268,791	\$ 397,651	\$ 666,443	208,314	110,104	318,418
2019	\$ 517,133	\$ 243,827	\$ 760,960	287,776	89,114	376,889
2020	\$ 681,679	\$ 342,414	\$ 1,024,093	277,609	88,655	366,264
	\$ 1,467,604	\$ 983,893	\$ 2,451,497	773,698	287,873	1,061,571

- a) Please provide the LV revenues for each of the years 2018 through 2020.
- b) Please explain the reason for the incremental increase in low voltage costs for 2018 compared to 2016.
- c) Please explain the reason for the incremental increases in low voltage costs for 2019 and 2020.

VECC-4

Ref: Manager's Summary, Section 3.4.2, Page 44

Preamble: The evidence states "In order to minimize the balance of its Account 1550 LV Variance Account, and to set its LVSRs to an appropriate level, Milton Hydro proposes to adjust the LVSRs annually by using the previous years actual LV costs paid to its Host Distributor as the numerator dollar amount, and then allocate this amount to customer classes on the same basis as the Transmission Connection Charges, and then apply the previous year's Transmission Connection denominator volumes to calculate the LVSRs."

- a) Please confirm Milton Hydro has not changed its methodology to calculate LVSRs since its 2016 CoS application. If not confirmed, please explain any changes.
- b) Please confirm Milton Hydro is seeking the OEB's approval in this application to adjust LVSRs annually during the current and future IRM periods.

VECC-5

Ref: Manager's Summary, Section 3.4.2, Page 43

Preamble: Milton Hydro Indicates accurate accounting practices lead to accurate balances, which in turn lead to smaller balances. The smaller balances at disposition, the less volatility in bill impacts to customers.

Please explain further how accurate balances lead to smaller balances.

VECC-6

Ref: Manager's Summary, Section 3.4.2, Page 46

Appendix D, Bill Impact Tables

- a) Please confirm that, in Table 16, the billing demand and energy determinants used for each customer are based on 2020 actual values. If not, what year are they based on?
- b) In Table 16, if the RTSR billing quantities, the LV billing quantities and the LV costs are all based on 2020, values, please explain why it is appropriate to use the proposed 2022 RTSR rates for purposes of determining the customer class allocation factors.
- c) Please confirm that, in Table 16, the energy based billing determinants are adjusted for losses but the demand based billing determinants are not adjusted for losses.
- d) Please explain why in Table 16 the energy based billing determinants are adjusted for losses whereas in the bill impact calculations (per Appendix D) the energy based LV billing determinants are not adjusted for losses.

VECC-7

Ref: Manager's Summary, Section 3.4.2, Page 46

- a) Please provide a schedule that, for each customer class, sets out: i) the current LV charge, ii) the proposed LV charge for 2022 and iii) the percentage change.