



PUBLIC INTEREST ADVOCACY CENTRE
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January 23, 2017

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Re: EB-2016-0091 London Hydro 2017 Rates
Pre-Settlement Questions of Vulnerable Energy Consumers Coalition (VECC)**

Please find attached follow-up questions in respect to the above noted proceeding. While the Board has not made provision for supplementary interrogatories, responses to these questions will help VECC more efficiently develop its positions for the upcoming Settlement Conference. As we continue to analyse the interrogatory responses we may have further questions which we may raise at the time of the Conference.

Yours truly,

M. Garner/for

Michael Janigan
Counsel for VECC

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| | |
|-------------------------|----------------------------------|
| REQUESTOR NAME | VECC |
| TO: | London Hydro Inc. (LHI) |
| DATE: | January 23, 2017 |
| CASE NO: | EB-2016-0091 |
| APPLICATION NAME | 2017 COS Application |
| | PRE-SETTLEMENT CONFERENCE |
| | CLARIFICATION QUESTIONS |

NB: Numbering continues from last VECC interrogatory

3.0 OPERATING REVENUE (EXHIBIT 3)

3-VECC -66

Reference: Staff-41 Load Forecast Model – Rate Class Customer Model Tab /Original Application, 3/1/2, pages 8-12 /LPMA 27

- a) With respect to the Rate Class Customer Model tab, for the GS>50 class it appears the RRR customer counts have been reduced by the number of Cogen Customers and the 4 WMP. However, there does not appear to have been any adjustment for the one Large User transferred to the GS>50 class as discussed at 3/1/2, page 9, lines 3-6. Please clarify the treatment of this one customer in the customer count data used in the Staff-41- Load Forecast Model.
- b) With respect to the annual rate class reclassifications set out in Table 3-4, when do the reclassifications for each year show up on the RRR data? For example, do the reclassifications for each year show-up starting in January of that year?
- c) If yes, why is it appropriate to adjust the 2016 closing customer counts for the 2017 reclassifications (per the Rate Class Customer Model Tab – Row 19) before applying the growth rate, since this growth rate already incorporates an allowance for annual rate reclassifications.
- d) With respect to the 2016 reclassification, Table 3-4 indicates that two Large Use customers were reclassified to GS>50. However, the application (pages 8-9) suggests that one of these Large Use customer ceased operation entirely. Please reconcile.
- e) The Excel File provided with LPMA 27 indicates that, for 2016, one Large Use customer was lost as of January 2016 and the second as of March 2016. Please indicate which of these customers was transferred to the GS>50 class and which one was “lost”.

- f) With respect to the response to part (d), if it was the customer removed as of March 2016 that was lost, please explain why, in VECC-23, there is no load removed for this customer in either January or February of 2016.

3-VECC -67

Reference: Staff-41, Load Forecast Model, Forecast Accuracy Tab /LPMA 26

- a) LPMA 26 states that the loss factor used to convert 2016 and 2017 purchases to billed energy is the average for 2006-2015. However, the Load Forecast Model uses an average of 2006-2014 – please reconcile.

3-VECC-68

Reference: VECC 23 – WS kWh Adjustment file /Staff-41

- a) Staff-41 states (3/1/1, page 2 of 4) that the updated forecast used actual 2016 values to November 2016 and used December 2015 to estimate December 2016 purchases. However, the response to VECC 23 sets out December 2016 values that differ from December 2015. Please reconcile and clarify the basis for the December 2016 purchase power values used in the updated forecast.

3-VECC - 69

Reference: Staff-41, Load Forecast Model (Rate Class Customer and Rate Class Energy Tabs) /LPMA 27

- a) It is noted the updated load forecast uses 2016 actual customer/connection counts but relies on forecast values for kWh usage by class. Are 2016 values as to sales by class not available?

3-VECC -70

Reference: Staff-41, Load Forecast Model (Rate Class Customer and Rate Class Energy Tabs) / LPMA 24 d) – Adjustments to Rates Class Cons. Model

- a) According to the Application (Section 3.4.5) the Large Use class data was adjusted to exclude the one customer lost at the end of 2015 and the one customer transferred to the GS>50 class. However the Large Use class usage set out in Table 3.1.2.16 does not match the remaining customer use values shown in the Adjustments to Rate Class Cons. Model filed with LPMA 24 d). Please reconcile.
- b) With respect to the Rate Class Customer and Rate Class Energy tabs, please confirm that in the updated Load Forecast the pre-2013 customer counts and the kWh values used for the GS>50 class both exclude the four WMPs.
- c) Staff 41 states (page 25 of 35) that Table 3.1.2.16 is unchanged. However, in the updated Rate Class Energy Model tab the values for the GS>50 class differ. Please reconcile.

3-VECC-71

Reference: Staff – 41, Revised Tables 3.1.2.11 / VECC 25 f)/ Staff - 54, 2014 CDM Annual Report

- a) Please explain why in VECC 25 f) the CDM value shown for the 2015 impact of 2015 programs is 32,777 MWh as opposed to the value set out in updated Table 3.1.2.11 (31,995 MWh).
- b) Please reconcile the CDM value shown in VECC 25 f) for the 2013 impact of 2013 programs (22,287 MWh – including true-ups) with that reported in Staff 54 (15,028 + 52 + 4,482 = 19,572 MWh – reported 2013 savings plus true-ups)
- c) Please reconcile the CDM value shown in VECC 25 f) for the 2012 impact of 2012 programs (17,059 MWh – including true-ups) with that reported in Staff 54 (14,033 + 32 + 2,658 = 16,723 MWh – reported 2012 savings plus true-ups)
- d) Please revise the response to VECC 25 f) as required and update to include 2016 values assumed for forecast.

3-VECC-72

Reference: LPMA 31

- a) What accounts for the significant increase in Miscellaneous Non-Operating Income in 2016 vs. 2015?
- b) Is the 2017 forecast for this account still reasonable and, if so, why?

4.0 OPERATING COSTS (EXHIBIT 4)

4-VECC -73

Reference: LRAMVA Work Form / Staff-54 – Attachment 1

- a) With respect to the 2013 savings from 2013 programs, please reconcile the total kWh savings reported in Staff 54 vs those in the Work Form (20,624 MWh).

7.0 COST ALLOCATION

7-VECC -74

Reference: VECC 57 a)

- a) It is noted that there is a material change in the R/C ratio for CoGen with new load profiles (198% vs. 85%). Please explain why.

7-VECC -75

Reference: Updated IR Response RRWF – Cost Allocation Tab

- a) In the IR update, the proposed R/C ratios for GS<50, Street Lights, Sentinel and USL all fail to meet the Board's policy guidelines by 2019. Does London propose to move all ratios to within the Board's policy guidelines over the balance of the IRM period?

8.0 RATE DESIGN

8-VECC -76

Reference: IR Updated Tariff Sheets / IR Updated Appendix 2

- a) Please explain why there is a difference in the 2017 Residential rates as noted in the following references and which are the proposed rates:
 - Updated Tariff Sheet (Residential): \$19.88 / month & \$0.0086/kWh
 - Updated RRWF – Residential Rate Design Tab - \$19.88 /month & \$0.0085 / kWh
 - Updated RRWF – Rate Design Tab - \$19.87 / month & \$0.0085/kWh
 - Updated Tariff Sheet – Bill Impacts - \$19.75 / month & \$0.0084 / kWh

8-VECC -77

Reference: Staff-53 f)

- a) If FIT customers are being transferred to the GS>50 class, why does the response not show any demand-billed (kW) revenues under the proposed approach (i.e., why does London Hydro assume these customers contribute no billing demand?).

8-VECC-78

Reference: 8/11/1, page 2 (lines 10-11) / 8/12/1, page 5

- a) The application states that for GS>50 net metered customers the distribution volumetric rate will be applied to the “boiler plate generation capacity”. However the Tariff language indicates that the rate will be applied to the gross absolute reading – being the sum of the consumption reading and the generation reading. Please clarify which definition for the billing parameter London Hydro is proposing.

8-VECC -79

Reference: VECC 63 a) /8/12/2, Attachment 1, page 49

- a) VECC 63 states that the standby charge is not calculated based on whether or not Standby Power Service has been provided (but) instead the contracted reserved amount is charge to the customer every month. However, the language in the proposed Standby Power Service tariff for which London Hydro is seeking approval specifically states “Standby Charge – for a month where standby power is not provided”. Please reconcile the response with the proposed tariff wording. Does the latter need to be altered?
- b) Please explain why, if the standby charge is fully applied in months where standby power is used (and presumably impacts the customer’s billing demand) the customer is not being charged twice for the same service.

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