

Milton Hydro (MH) INTERROGATORY #1 List 1

Interrogatory

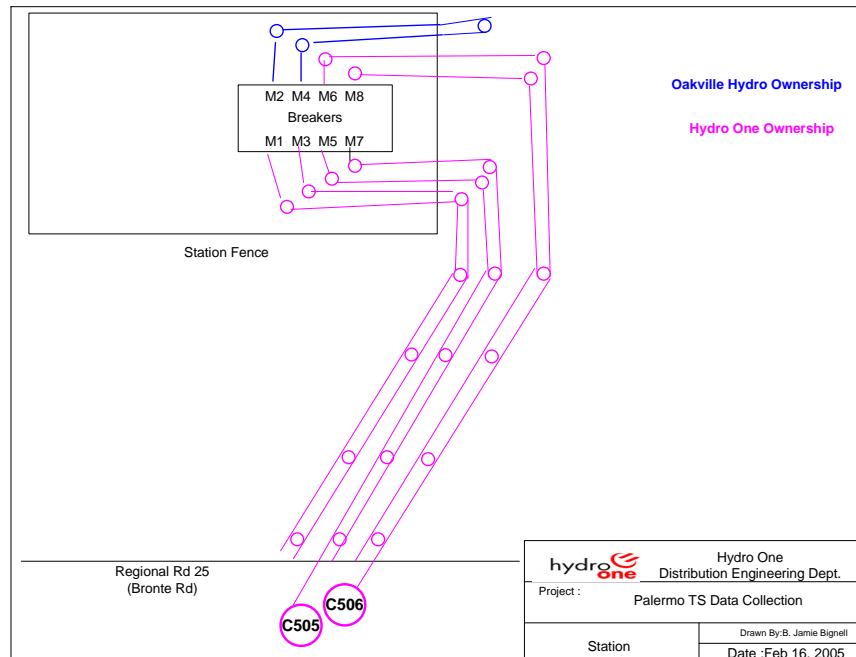
**Issue 7.1 and Issue 7.2
Issue: Cost Allocation and Rate Design**

Attached to this document is a map prepared by Milton Hydro, which shows schematically the area surrounding the Hydro One Networks' Palermo Transformer Station ("Palermo TS") in Oakville abutting Halton Regional Road 25, the boundary with Milton, near the point at which Hydro One Networks' Corridor crosses Regional Road 25.

Can you please confirm that the schematic map reasonably portrays the position of the Palermo TS, the location of Hydro One Networks' property, the location of the M-1 and M-3 feeders which supply Milton Hydro, the M-5 and M-6 feeders that supply Burlington Hydro, and the M-8 , M-7, M-4 and M-2 feeders that supply the Town of Oakville.

Response

For greater clarity regarding the relative position of Palermo TS and the feeders that connect at this station, Hydro One also provides the attached diagram.



Milton Hydro (MH) INTERROGATORY #2 List 1

Interrogatory

Issue 7.1 and Issue 7.2

Issue: Cost Allocation and Rate Design

Can you confirm that Hydro One owns that portion of the M-1 and M-3 feeders that are on Hydro One's property, and that this portion of the two feeder lines is about .24 km. in length.

Response

Yes.

1 **Milton Hydro (MH) INTERROGATORY #3 List 1**

2
3 **Interrogatory**

4
5 **Issue 7.1 and Issue 7.2**

6 **Issue: Cost Allocation and Rate Design**

7
8 Can you confirm that the remainder of the M-1 and M-3 feeder lines, the part which lies
9 along the road allowance of Regional Road 25, and into Milton Hydro's territory, is not
10 owned by Hydro One but is owned by Milton Hydro and is approximately 2 km. long.

11
12
13 **Response**

14
15 This line portion is not owned by Hydro One and we cannot confirm the length.

16

1 **Milton Hydro (MH) INTERROGATORY 4 List 1**

2
3 **Interrogatory**

4
5 **Issue 7.1 and Issue 7.2**

6 **Issue: Cost Allocation and Rate Design**

7
8 Can you confirm that there are currently five wooden poles supporting the M-1 and M-3
9 feeder lines on Hydro One's property.

10
11
12 **Response**

13
14 Yes.

15

1 **Milton Hydro (MH) INTERROGATORY 5 List 1**

2
3 **Interrogatory**

4
5 **Issue 7.1 and Issue 7.2**
6 **Issue: Cost Allocation and Rate Design**

7
8 Can you confirm that Milton Hydro's payments for LV charges for service from feeders
9 M-1 and M-3 over the period May 1, 2002 to January 1, 2008 are approximately
10 \$608,831.00, and that, had Milton Hydro been charged on the basis that the M-1 and M-3
11 feeders were specific LV lines, Milton Hydro's payments over the same period would
12 have been approximately \$14,916.00 (assuming the current Specific LV Line rate of \$526
13 per km. was charged throughout that period).

14
15
16 **Response**

17
18 No, Hydro cannot confirm the value of \$608,831 or the value of \$14,916.

19
20 Using 1999 billing load for the load for M1 and M3 and assuming that the LV shared line
21 rate of \$0.56 would have been billed to Milton for the period May 2002 to April 2006, 48
22 months, the charges would have been \$294,208. For the period May 2006 to December
23 2007, 20 months, the Shared LV line charges for M1 and M3 was \$214,375. The total is
24 \$508,583, not \$608,831.

25
26 If the charges would have been as Specific LV line for the distance of 0.48 km, the
27 charges would have been \$17,169, not \$14,916, for 68 months at the rate suggested by
28 Milton of \$526 per km.

29

1 **Milton Hydro (MH) INTERROGATORY 6 List 1**

2
3 **Interrogatory**

4
5 **Issue 7.1 and Issue 7.2**

6 **Issue: Cost Allocation and Rate Design**

7
8 Can you confirm that the replacement value of the 5 poles and 200 metres of line is
9 approximately \$30,000.00.

10
11
12 **Response**

13
14 A detailed estimate has not been prepared, but it is our opinion that the cost to replace 5
15 poles and 200 meters of line would be somewhat greater given there would be no
16 economies of scale for a short section of line such as this.

17

1 *Milton Hydro (MH) INTERROGATORY 7 List 1*

2
3 *Interrogatory*

4
5 **Issue 7.1 and Issue 7.2**

6 **Issue: Cost Allocation and Rate Design**

7
8 Please confirm that the voltage of the M-1 and M-3 feeders is 27.16 kV.

9
10
11 *Response*

12
13 The voltage of the M1 and M3 feeders is 27.6 kV.

14

1 *Milton Hydro (MH) INTERROGATORY 8 List 1*

2
3 *Interrogatory*

4
5 **Issue 7.1 and Issue 7.2**

6 **Issue: Cost Allocation and Rate Design**

7
8 Please confirm that the Hydro One property on which Palermo TS sits is not part of
9 Hydro One Distribution's service territory.

10
11
12 *Response*

13
14 The Palermo TS site is not part of Hydro One Distribution's service territory.

15

1 *Milton Hydro (MH) INTERROGATORY 9 List 1*

2
3 *Interrogatory*

4
5 **Issue 7.1 and Issue 7.2**

6 **Issue: Cost Allocation and Rate Design**

7
8 Can you confirm that over the last two years there have been discussions between Milton
9 Hydro and Hydro One with respect to the sale of the .24 km. of M-1 and M-3 feeder lines
10 to Milton Hydro.

11
12
13 *Response*

14
15 Yes, Hydro One has been in discussions with Milton Hydro with respect to the sale of the
16 M1 and M3 feeders.

17

Milton Hydro (MH) INTERROGATORY 10 List 1

Interrogatory

Issue 7.1 and Issue 7.2

Issue: Cost Allocation and Rate Design

Please confirm that Hydro One bills Milton Hydro for the service provided through feeder lines M-1 and M-3 as Shared LV lines on the basis of Milton Hydro's monthly maximum demand at the delivery points, e.g. the Hydro One property boundary.

Response

Yes, Hydro One bills Milton Shared LV Line charges based on the maximum demand at the delivery points where the ownership of the feeders changed from Hydro One to Milton.

1 *Milton Hydro (MH) INTERROGATORY 11 List 1*

2
3 *Interrogatory*

4
5 **Issue 7.1 and Issue 7.2**

6 **Issue: Cost Allocation and Rate Design**

7
8 Please confirm that the M-1 and M-3 feeders currently, and since they were constructed,
9 serve only Milton Hydro, and that there are no taps off that part of the M-1 and M-3
10 feeder lines that are on Hydro One Distribution's property.

11
12
13 *Response*

14
15 Confirmed.

16

1 **Milton Hydro (MH) INTERROGATORY 12 List 1**

2
3 **Interrogatory**

4
5 **Issue 7.1 and Issue 7.2**
6 **Issue: Cost Allocation and Rate Design**

7
8 Please confirm that under Hydro One's current cost allocation and rate design scheme,
9 had the Palermo TS been constructed on a piece of Hydro One's property in Milton
10 Hydro's territory rather than in Oakville Hydro's territory, the service provided to Milton
11 Hydro by the M-1 and M-3 feeders would have been classified as Specific LV Lines and
12 priced accordingly.

13
14
15 **Response**

16
17 If Palermo TS had been built within Milton, and if Hydro One owned feeders coming out
18 of the TS which remained within Milton and supplied solely Milton, then the Hydro One-
19 owned sections of line would have been billed as Specific Line charges.
20

1 **Milton Hydro (MH) INTERROGATORY 13 List 1**

2
3 **Interrogatory**

4
5 **Issue 7.1 and Issue 7.2**
6 **Issue: Cost Allocation and Rate Design**

7
8 Please confirm that under Hydro One's cost allocation and rate design scheme, it is only
9 the fact that a part of the M-1 and M-3 feeders lie in Oakville Hydro's service territory
10 that leads it to classify the M-1 and M-3 feeders as shared LV lines, notwithstanding the
11 fact that these two feeders are, and always have been, dedicated to Milton Hydro's load.

12
13
14 **Response**

15
16 A section of line is Specific if it is owned by Hydro One, supplies solely one LDC and is
17 within that supplied LDC. Since feeders M1 and M3 don't fulfill those criteria, they
18 don't classify as Specific Line. A line being dedicated does not make it "Specific" for
19 rates purposes. Although Milton is the only customer connected at Palermo TS M1-M3,
20 these feeders are not dedicated to Milton.
21

1 **Milton Hydro (MH) INTERROGATORY 14 List 1**

2
3 **Interrogatory**

4
5 **Issue 7.1 and Issue 7.2**
6 **Issue: Cost Allocation and Rate Design**

7
8 Please confirm that the renaming of the LV charges from LV to ST rates, and the
9 establishment of the ST Rate Class to replace the LV rates class (Ex. G, tab 4, sch. 4, pp.
10 1 - 4) does not change Hydro One's classification of LV lines into Shared LV Lines,
11 Specific LV Lines, and Specific Distribution Lines, and, more particularly, that the
12 classification of the Hydro One owned portions of the M-1 and M-3 feeders referred to
13 above remain Shared LV Lines.

14
15
16 **Response**

17
18 Confirmed. Specific Line would continue to have the criteria described in Exhibit H, Tab
19 9, Schedule 13, whether it was LV line or will be ST line. Similarly, line that presently is
20 not Specific, therefore is Shared, will not be Specific and will be Common Line in ST.
21

1 **Milton Hydro (MH) INTERROGATORY 15 List 1**

2
3 **Interrogatory**

4
5 **Issue 7.1 and Issue 7.2**
6 **Issue: Cost Allocation and Rate Design**

7
8 The Board noted at p. 10, paragraph 2.04 of its Decision with Reasons in RP-2000-
9 0023/EB-2001-0016, that Hydro One stated in its evidence that it would be filing a LV
10 cost allocation study in its next rates application. Was such a study ever prepared? If so,
11 can Hydro One please provide a copy.

12
13
14 **Response**

15
16 The Cost Allocation Study filed in this submission as Attachment A to Exhibit G2, Tab 1,
17 Schedule 1, is Hydro One's response to the OEB's directive in RP-2000-0023/EB-2001-
18 0016. The proposed ST class includes all the LV customers.

19