

Rosemarie Leclair

From: Rosemarie Leclair
Sent: January 24, 2017 7:53 PM
To: Lynne Anderson; Mary Anne Aldred
Subject: Re: HONI Cost allocation

On our strat session stuff on category of costs , we should add on the what we've done .. Rate mitigation policy and cap on ROE.
 What we should put on to do us to review the rate mitigation policy as well as the application of our overriding orinciple on assessing just and reasonable rates from a bill perspective

Sent from my iPhone

On Jan 24, 2017, at 6:14 PM, "Lynne Anderson" <Lynne.Anderson@ontarioenergyboard.ca> wrote:

Yes, as was I. It is certainly on our radar for the March application. Harold is busy finalizing the Hydro One Tx submission for tomorrow. Ted and Jane are here trying to quantify other points in the plan. But once we have done that we can do some digging.

From: Rosemarie Leclair
Sent: January-24-17 6:13 PM
To: Lynne Anderson
Subject: Re: HONI Cost allocation

Not urgent I'm just wondering about it

Sent from my iPhone

On Jan 24, 2017, at 6:06 PM, "Lynne Anderson" <Lynne.Anderson@ontarioenergyboard.ca> wrote:

I don't have the specifics of the quantum (and not sure I can dig up tonight). I asked Harold last night when this happened and he confirmed it was the Custom IR application that was effective 2015. Here's what he said ...

Looking back at the EB-2013-0416 evidence it was difficult to identify the one factor that contributed to the high increase.
 A number of things were going on which contributed to the higher rates in the R2 class in 2015:

- Hydro One was implementing a Rate Class review of their density based rates.
 This resulted in more revenues allocated to the R2 class.
- Cost allocation changes (92 to 94%) resulted in a higher cost allocation amount.
 Other classes had their allocations reduced.
- R2 Loss Factors increased from 9.2 to 10.5%

- The originally proposed smoothing mechanism was not approved, so rates were higher than applied for.

I think the rate review exercise and then the 5 year proposal masked the rate impact in R2 somewhat as no IRs were asked.

From: Rosemarie Leclair
Sent: January-24-17 6:02 PM
To: Lynne Anderson
Subject: HONI Cost allocation

Lynne..when was the decision made on new cost allocation approach and when would customers have seen that change on their bill.
Who went up , and who went down...By how much??

Last question...did any intervenors comment on it??

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