

**INTERROGATORIES FROM  
GREATER TORONTO AIRPORT AUTHORITY  
FOR: ENERSOURCE HYDRO MISSISSAUGA INC.  
  
IN THE MATTER OF THE GENERIC ISSUES PROCEEDING**

All of the following interrogatories relate to Generic Issue 3, Generalized Standby Rates for Load Displacement, and the three sub-issues identified thereunder.

All of the interrogatories arise from the evidence filed by Enersource Hydro Mississauga Inc. in its Application for 2006 Distribution rates, EB-2005-0360.

**Re Enersource Application for 2006 Distribution rates – Tab 4, Pre-Filed Evidence, Section 15 (f) Standby charges**

1. The Board Load Data Collection Directions sent to all distribution companies under a cover letter dated November 10, 2003 in RP-2003-0228 indicated that proposals for either a new subclass within an existing rate classification (e.g. Section A, Issue 12) or a new rate classification (e.g. Section A Issue 13 h) should be supported by appropriate load and/or financial data. Please identify all of the load and financial data that Enersource has filed with the OEB in support of its proposed standby rate, and provide copies of any additional supporting data that has not been filed.
2. Does Enersource agree that the specific distribution system assets that it provides and maintains to meet the needs of a specific rate class will vary according to the load characteristics and locations of the customers in that rate class. If not, please explain why not.
3. Enersource states that it “does not propose to require its standby service customers to determine a level of standby demand.” Will Enersource allow its standby service customers to voluntarily specify a level of standby demand. If the answer is no, did Enersource do any analysis before making that decision, and if so please provide all such analyses.
4. Please identify the reasons or basis for the three major principles that guided Enersource’s design of its proposed standby rate.

5. Is it Enersource's position that its currently effective rates for distribution service satisfy these principles. If yes, please provide all analyses to support that position. If no, does Enersource's propose to design new distribution rates that do satisfy these principles when it conducts and completes its own Cost Allocation study in 2006?
6. Please illustrate how Enersource would apply each of the four alternative standby rates for billing purposes. For this illustration please use a hypothetical customer in the Large User rate class with a maximum demand of 10 MW, a relatively flat load and an average load factor of 80%. Please provide sample calculations indicating what Enersource would propose to bill this customer in a representative month under each of the four alternative standby rates under the following scenarios and modes of operating its on-site generation.
  - a. scenario A-1 the customer installs self-generation with a capacity of 5 MW which it operates in baseload mode. Thus, the customer meets 5 MW of its load from Enersource and the other 5 MW from self-generation.
  - b. scenario A-2 is the same as scenario A-1, except that the customer's self-generation is out of operation in the month and the customer meet its entire load from Enersource in that month.
  - c. scenario B-1 the customer installs self-generation with a capacity of 10 MW which it operates in peaking mode when the electricity market prices are highest. Thus, the customer takes 10 MW from Enersource in off-peak periods each day (11 p.m. to 7 a.m.) and meets its full 10 MW from self-generation in peak periods.
  - d. scenario B-2 is the same as scenario B-1, except that the customer's self-generation is out of operation in the month and the customer meets its entire load from Enersource in that month.
7. Please provide a copy of the OEB decision in RP-2002-0002 in response to the Toronto Hydro Electric System Inc. ("THESEI") proposed rate design, as well as a copy of the rate design that was ultimately approved and implemented as a result of that decision.
8. Is Enersource's proposal to use gross load metering based upon an assumption that, despite developing on-site generation, the standby service customer will at some point in time want to take its full historical peak demand from Enersource because its on-site generation is out of service, either due to a deliberate operating decision or to an unexpected operating problem. Please explain.

9. Please provide the following information regarding the statement that “Enersource’s distribution assets when originally built were designed to serve a demand customer’s gross load.”
  - a. What does Enersource mean by a demand customer” ?
  - b. In what rate classes has Enersource placed its demand customers?
  - c. For which Accounts listed in Appendix 3 of the Staff Discussion Paper filed in the Cost Allocation Review in September 2005 does Enersource have data by voltage level such that it will be able to avoid allocating the Large User rate classification costs of assets that it does not use to serve them?
10. Enersource states that “Also, the advent of a load displacing device does not result in any existing distribution assets, either the feeders that provide distribution service or the upstream assets, being removed from service. Equally, no portion of the capacity provided by upstream feeders or other upstream assets is rendered redundant as a result of a customer requiring standby service.”
  - a. Does Enersource agree that a load displacing device which causes a customer to permanently reduce its demand on the Enersource system has the potential to free up capacity of existing distribution assets which Enersource could then use to serve other customers. If not, why not ?
  - b. Does Enersource agree that a load displacing device which causes a customer to permanently reduce its demand on the Enersource system has the same operational and financial impact on Enersource as a conservation or demand management measure which causes a customer to permanently reduce its demand on the Enersource system. If not, why not ?
11. Please provide all analyses prepared by, or for Enersource, of the impact on its system losses if one or more Large User customers reduced their take from its system due to a shift to on-site or distributed generation.
12. Please provide the following information regarding the standby charge calculation under the OEB rate design.
  - a. Why does Enersource characterize this rate as “distance based” ?
  - b. Please identify each major category of common costs and upstream asset that are excluded from this calculation.

- c. Please provide all analyses prepared by, or for Enersource to support the statement that this rate "...results in cross-subsidization between all of Enersource's other customers in favour of the standby service customer."
13. In Alternative 3 Enersource proposes to use its approved distribution rate as the starting point, and then make adjustments to that rate. Please provide all analyses prepared by, or for, Enersource to determine whether its currently effective rates for distribution service to each customer class are based on the costs that Enersource incurs to serve each customer class and do not result in undue cross-subsidization.
14. What opportunity will Enersource provide its customers to participate in and/or comment on the policies it will be proposing in the OEB's Cost Allocation Rate Design Proceeding?
15. What opportunity will Enersource provide its customers to participate in and/or comment on the Cost Allocation study that it proposes to prepare in 2006?

**Re Enersource Application for 2006 Distribution rates – Tab 5, Section 6.2, Demand, Rates (input), p. 111 of 195**

16. Please provide the following information regarding the columns titled "Demand Data – kw"
  - a. Is the information reported the Non-Coincident Peak demand by rate class for each year? If not, please explain what it is.
  - b. Please provide corresponding data, either measured or estimated, for the Residential, General Service less than 50 kw and General Service Other < 50 kw rate classifications.
17. Please provide the system-wide Coincident Peak in each year and the contribution of each rate class to that coincident peak. Please describe the source of this data.

**Re Enersource Application for 2006 Distribution rates – Tab 7, Schedule 10-6: Standby charges**

18. Please provide all inputs, calculations and workpapers underlying and/or supporting the entries in columns 2 to 16 of the row titled "primary feeders" in the table on pages 55 and 56.

19. Please provide the following information regarding the entries in columns 2 to 16 of the row titled “primary feeders” in the table on pages 55 and 56:
  - a. What load profile did Enersource assume for GTAA when preparing this analysis and what was the basis for that assumption.
  - b. What time horizon did Enersource use when preparing this analysis and what was the basis for that assumption.
  - c. Please identify the customer classes that Enersource serves using assets in the Primary Feeder asset class.
  - d. Please identify the customer classes that Enersource serves using assets in the Distribution Station asset class.
  - e. Please identify the customer classes that Enersource serves using assets in the Low Voltage asset class.
  - f. Please confirm that OM&A in column 2 refers to operations, maintenance and administration.
  - g. Describe what is being reported in columns 7 and 8, and the units in which it is being reported.
  - h. Provide the derivation of the 115,200 of line capacity reported in column 9, including the identity of the specific physical assets underlying that derivation.
  - i. Provide all analyses supporting the premise the derivation of the 115,200 of line capacity reported in column 9.
  - j. Please explain why there are no entries for either the “distribution stations” asset class or the “low voltage” asset class.
20. Please explain the relationship between the physical assets that Enersource indicates it is using to provide standby service to GTAA in Schedule 10-6 with the five 27.6 kV feeders and the three 44 kV feeders to which GTAA was recently connected.
21. Please provide all reliability and economic analyses that Enersource has prepared to justify its proposal to use five 27.6 kV lines and three 44 kV lines to serve GTAA on a going forward basis.

22. Is it the position of Enersource that the impacts on its ability to recover its revenue requirements, including recovery of costs associated with stranded assets, resulting from reductions in and/or changes in timing of demand should be treated consistently regardless of
  - a. their cause, e.g. distributed generation, self-generation, conservation and demand management, customer migration, economic downturns, process changes. If not, why not ?
  - b. regardless of the size of the individual impacts, e.g. less than 1 MW per project, less than 10 MW, less than 40 MW . If not, why not ?
23. Please identify the annual revenue requirements associated with the distribution assets that Enersource estimates would have been stranded had GTAA bypassed it entirely and connected directly to the Hydro One grid. Please provide all supporting calculations, inputs and assumptions.
24. Please provide a simple map or schematic of the Enersource service territory showing the primary feeders and the rate classes they serve directly.