2015 COST OF SERVICE METHODOLOGY REVIEW

Manitoba Hydro Undertaking # 28

Manitoba Hydro, in regards to GAC/MH I-21, the table on page 3, is to answer the following questions: 1) How was the weight factor derived? 2) Can a GSL customer have more than one (1) meter with the loads being aggregated for billing purposes? 3) How are those costs dealt with, the cost of the meters in diesel areas direct assigned, or how are they dealt with in the cost-of - service study? 4) Provide an explanation: In regards to the customer totals for various classes, the total number of customers in that calculation does not equal the forecasted number of customers shown in the right-hand side of the table, and the same is true for the weighted customers, the number of meter readings.

Response:

1. Please see the table below and page 3 of the response to GAC/MH I-21. The weighting factor is based on 2005 actual customer counts multiplied by the relative frequency of meter reads for subsets of customers within each class. The total annual reads per class is divided by actual customer count to determine the weighting factor.

2. Yes.

3. Diesel site meter reading costs are directly assigned to the Diesel Class.

4. Manitoba Hydro prepares a number of sub studies which support the cost of service study including the analysis of meter reading activities for purposes of allocating meter reading costs. These sub studies are updated periodically as changes to data are not expected to be sizable or have a material impact to depiction of cost responsibility by class. The meter reading sub study was last updated in 2005, but applied against forecast 2014 customer count and therefore the two right most columns of the schedule, based on forecast 2014 customer count, will not match the 2005 actual data used in the remainder of the schedule.

    The customer count excludes Area & Roadway Lighting, Flat Rate Water Heating, and Diesel customers that are not allocated meter reading costs in the PCOSS. As noted in response to COALITION/MH I-93d, the GSS Non-Demand and GSS Demand customer count for Meter Reading inadvertently excluded the 19,736 three-phase customers.

Number of Customers - Weighted
Allocation of Meter Reading Costs

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
			Meter Reading Frequency						Annual Meter Readings						
							H4 * B	I4 * C	J4 * D	K4 * E	L4 * F	SUM(H:L)	M / G		N * O
		Bi-	Semi-					Bi-	Semi-					Actual	Actual
	Monthly	Monthly	Annual	Annual	Self Read	Total	Monthly	Monthly	Annual	Annual	Self Read	Total	Weight	Customers	Customers
Rate Class	12/yr	6/yr	2/yr	1/yr	1/3 yr		12	6	2	1	0.3		Factor	(Unadj.)	(Wtd)
Residential	11,194	347,200			67,852	426,246	134,328	2,083,200	0	0	20,356	2,237,884	5.0	462,217	2,311,085
Diesel	512					512	6,144	0	0	0	0	6,144	12.0		0
Res - Seasonal			4,600	15,507		20,107	0	0	9,200	15,507	0	24,707	1.0	20,888	20,888
GSS ND	4,695	33,656			10,278	48,629	56,340	201,936	0	0	3,083	261,359	5.0	41,074	205,370
Diesel	163					163	1,956	0	0	0	0	1,956	12.0		0
GSS Seasonal			248	546		794	0	0	496	546	0	1,042	1.0	859	859
GSS Demand	8,864	56			5	8,925	106,368	336	0	0	2	106,706	12.0	4,221	50,652
G.S. Medium	1,777	2				1,779	21,324	12	0	0	0	21,336	12.0	1,974	23,688
GSL 0 - 30 kV	227	4				231	2,724	24	0	0	0	2,748	12.0	288	3,456
GSL 30 kV - 100 kV	28					28	336	0	0	0	0	336	12.0		
Curtailable														1	12
Non-Curtailable														39	468
GSL > 100 kV	12					12	144	0	0	0	0	144	12.0		
Curtailable														2	24
Non-Curtailable														14	168
SEP															
GSM													12.0	24	288
GSL 0-30													12.0	5	60
	27,472	380,918	4,848	16,053	78,135	507,426	329,664	2,285,508	9,696	16,053	23,441	2,664,362		531,606	2,617,018

May 30, 2016