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March 8, 2011

VIA MAIL and 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: Vulnerable Energy Consumers Coalition (VECC)
EB-2010-0125
Brant County Power Inc. – 2011 Electricity Distribution Rate Application**

Please find enclosed the technical conference questions of VECC in the above-noted proceeding.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

cc: Brant County Power Inc.
Attention: Mr. Bruce Noble

BRANT COUNTY POWER INC. (Brant)
2011 RATE APPLICATION (EB-2010-0125)

VECC TECHNICAL CONFERENCE QUESTIONS

QUESTION TC #1

Reference: VECC #1 a)

- a) As per the original question, please provide a schedule that set out Brant's other supply points and indicate, in each case, who the supplier is.

QUESTION TC #2

Reference: VECC #2 a) & b)

- a) Please confirm that the distribution revenues reported in part (a) do not account for the transformer ownership discount (i.e., it has not been netted out).
- b) In which of the four line items under "Other Distribution Revenue" is the revenue from the SS Admin fee included?

QUESTION TC #3

Reference: VECC #4
Energy Probe #13

- a) With respect to the response to part c) of the VECC #4 response, to what does Brant attribute the significant drop in GS>50 consumption in 2006 and why isn't it captured by the other explanatory variables?
- b) With respect to the response to part d) of the VECC #4 response:
- Please confirm that the coefficient for the CDM variable has a negative sign.
 - Please confirm that with estimated CDM coefficient each MWh of CDM savings produces a reduction in purchased energy of more than 5 MWh. Please comment on the reasonableness of this result.
- c) With respect to the response to parts e) and h) of the VECC #4 response, please confirm that the monthly CDM activity data set out in the first part of the response to part e) were the values used in the regression analysis. If

not, what were the monthly values that were used and how were they determined?

- d) Please explain:
- What the monthly values set out in VECC #4 e) are meant to represent. For example, what does the 200,192 kWh value for December 2008 represent.
 - How the calculation of the value is consistent with this representation.
 - Why this definition of value is appropriate for use in the regression analysis.
- e) Please provide a copy of the OPA's report for 2006-2009 as referenced in Response to VECC #4 e).
- f) Please fully reconcile the Total Annual CDM results reported in VECC #4 e) for each year (e.g. 1,442,479.07 for 2007) with:
- The CDM results reported in Exhibit 10, Tab 1, Schedule 2, pages 19-20 and
 - The annual values in the OPA report requested in part (e) above.
- g) Please explain numbers for 2006-2011 under the "Value" column in VECC #4 e) were established and what they are meant to represent (e.g. 1,517,675.3 for 2006).
- h) As per the part h) of the original question, please indicate how the CDM activity values for 2011 (as set out in response to VECC #4 e)) were derived based on Brant's CDM Target.
- i) Please indicate how the 2011 CDM values in part (j) were determined.
- j) With respect part f) of the VECC #4 response:
- The original question asked whether the historical CDM savings values used had been updated to reflect the most recent estimate of the unit savings for the various measures implemented over 2005-2009 (e.g. the reduction in savings to be assumed for CFLs). Please provide a response to the question as originally posed.
 - The response states that the prediction has been updated for the new revised CDM targets but the CDM values are the same as per part e). Please reconcile.
 - If not addressed in response to TC #3, part h), please explain how the forecast CDM savings values for 2010 and 2011 were developed using Brant's revised CDM target of 9.85 GWh
- k) With respect to parts f) and j) of the response:

- Please explain the basis for the GDP activity variable values for 2010 and 2011 presented in each as the explanations accompanying both suggest they are “updates”.
 - Please indicate which CDM variable activity values for 2011 Brant County proposes to use for load forecasting purposes and why.
 - Please explain the difference between the economic growth rates for 2010 and 2011 used in these two responses and indicate which one Brant considers more appropriate.
- l) With respect to the response to part o), please provide the actual 2010 purchases by Brant – as originally requested.
- m) With respect to part p) of the response and Energy Probe #13, none the responses to Energy Probe #13 appear to provide the calculations and results sought in VECC #4 p). Please provide a response the question as posed.

QUESTION #TC 4

Reference: Energy Probe #13
 VECC #4
 Board Staff #13

Preamble: An alternative way of treating CDM is to estimate total purchases before CDM using the regression analysis and then make a specific adjustment for CDM.

- a) Please re-do the regression analysis and subsequent 2010-2011 forecast as follows:
- Increase the purchases in each month by the cumulative CDM for the month as used by Brant in its LRAM calculations, adjusted for losses using the average loss factor for the period. Please provide a schedule setting out the CDM savings adjustment by month.
 - Re-do the regression analysis using the same explanatory variables as in the initial analysis, with the exception of CDM. Provide the resulting coefficients and model statistics.
 - Forecast the purchases for 2010 and 2011 (prior to CDM) using the same forecasts for the explanatory variables as in the initial Application.
 - Provide CDM adjusted forecasted purchases for 2010 and 2011 based on the forecast cumulative CDM savings for 2010 and 2011 adjusted for losses.

QUESTION TC #5

Reference: VECC #5 c)

- a) Please a schedule that for 2008 and 2009 breaks out the portion of the interest costs reported in #4405 that is associated with variance/deferral accounts.

QUESTION TC #6

Reference: VECC #6 a) and b)

- a) Please provide a schedule that sets out, for each customer class, the kWh values as assumed for the CA runs provided in Exhibit 7, Tab 1, Schedule 2 versus Schedule 3 and the percentage difference for each class.
- b) Please provide a revised 2011 Cost Allocation where the demand values in Sheet I8 for each customer class are adjusted by the percentage values calculated in response to part (a).

QUESTION TC #7

Reference: VECC #7 b) and g)

- a) The response to part b) indicates that the customer counts in I6 were updated for the final version of the customer count forecast. If this is the case, why are the values different than those shown in Exhibit 3/Tab 2/Schedule 1, page 2? Do the values in Exhibit 3 need to be revised?
- b) With respect to part g), please provide a schedule setting out the precisely how the distribution revenues for each customer class (totalling \$5,859,634) were determine. If the distribution of revenue across customer classes is not based on revenues as existing rates (net of the transformer ownership discount – as originally requested), please provide a revised response.

QUESTION TC #8

Reference: VECC #10

- a) Why weren't the revenue offsets allocated to customer classes as per the 2011 cost allocation results?

- b) Please provide as schedule that, based on the revenue requirement allocated as per VECC 7 g) and Brant's proposed revenue to cost ratios, shows the total service revenue requirement (net of the transformer ownership discount) to be recovered from each class.
- c) Based on the result from part (b) and the allocation of the revenue offset as per VECC # 7 g) – please provide a schedule that sets out the proposed Base Distribution Revenues for each class.
- d) Please provide the resulting fixed and variable rates for each class based on the results from part c). In determining these rates, please include the recovery of the cost of the transformer ownership discount in the variable rate calculation for the GS>50 class.

QUESTION TC #9

Reference: VECC #14

- a) With respect to the response to part (a) – please confirm that Brant is not (as part of the current application) seeking to dispose of the balances in any of its deferral/variance accounts. Rather, Brant will be filing a separate Application based on its 2010 audited balances. If this is not the case, please clarify what Brant's proposal is.
- b) With respect to part (b), please confirm that the fourth table on the referenced page sets out the distribution revenue by class used for allocation purposes (totals \$6,476,905). Please respond to the original question and reconcile the values shown with those in Exhibit 3 and Exhibit 7, as referenced.

QUESTION TC #10

Reference: VECC #15

Preamble: The following Matrix Summarizes VECC’s understanding of the Board’s CDM Guidelines with regard to SSM Claims and LRAM claims.

- a) Please confirm Brant’s agreement or change the entries to confirm to Brant’s understanding and application of the OEB Guidelines to the current Claims

SSM -Sources of Input assumptions	OEB TRC Guide	OPA Guide(s)	OPA 2009/2010 M&A List	Verification
a) Guideline Section 7.3 - Assumptions at the time of program delivery b) OPA Verification for OPA Programs	Third Tranche and Rate funded Programs (up to Jan 2009)	Applicable to OPA Programs (EKC etc Seeline2006 and 2007 Calculator(s)) N.B. SSM not Available for OPA Programs	Not Applicable up to Jan 2009	1. Third Tranche & Rate Funded <i>Independent Third Party</i> (2. OPA Programs SSM not Available for OPA Programs)
LRAM -Sources of Input Assumptions	OEB TRC Guide	OPA Guide(s)	OPA 2009/2010 M&A List	Verification
a) Guideline Section 7.3 Best available at time of Third Party Review b) OPA Verification for OPA Programs	Not Applicable	Applicable to OPA Programs (EKC etc Seeline2006 and 2007 Calculator(s))	Applicable to Non-OPA programs (Jan 2009 on)	1. Third Tranche & Rate Funded <i>Independent Third Party</i> 2. OPA Programs OPA Results

Note: The following Questions relate to the Brant’s SSM Claim.

- b) For the EKC programs 2006 and 2007 (now classified by BCP as Third Tranche funded), explain why for SSM OPA Results are acceptable verification.
- c) Explain why for CFLs and other mass market measures under the SSM claim, a consistent set of assumptions was not used for both 2006 and 2007. Explain if this was due to OPA changing Input assumptions in 2007 (see (d) below)

- d) Confirm that OPA changed its Input assumptions for CFLs and other mass Market Measures in residential service under the EKC Campaigns between 2006 and 2007.
- e) Explain by way of example, how a 13 W CFL installed in 2006 saves 104 kWh/yr and lasts 4 years while a 13 W CFL installed in 2007 saves 43 kWh/year and lasts 8 years?
- f) Confirm which input values should be used for the SSM, and Load Forecast to ensure consistency year over year?
- g) Provide a revised SSM Claim using consistent input values at the time that the 2006 and 2007 programs (EKC etc) were run. VECC believes that OPA changed assumptions for EKC as shown in Table 15d (ii) "Used for the SSM claim" and these were the Best Available at that time for ALL Mass market Measures.

QUESTION TC #11

Reference: VECC #16

Preamble: The following Questions relate to Question 16 d), the LRAM claim and the CDM variable used for the load forecast..

- a) For the EKC programs 2006 and 2007 (now classified by BCP as Third Tranche funded) explain why for LRAM, OPA Results are acceptable verification.
- b) Re-file the Table attached to the response to Question 16 d) using **only** OPA 2010 Measures and Assumptions List Values to calculate the LRAM for third tranche programs (including EKC 2006/2007).
- c) Re-calculate the Total LRAM including OPA non-third tranche programs and provide the corresponding rate riders.
- d) Provide a revised Load Forecast CDM reduction calculation for the historic period (i.e., update response to VECC #4 e)), re-estimate the regression model and revise the Load Forecast using the new model. Please indicate the input assumptions used for 2010 and 2011 for GDP for purposes of the response.

QUESTION TC #12

Reference: VECC #19 d) Attachment

- a) Please indicate the amounts, terms, and the dates on which (i) BCPI loaned BCPSI money, (ii) BCPI called loans, (iii) BCPI renegotiated loans, and (iv) BCPSI retired loans.
- b) Please confirm that at present BCPI has only one outstanding loan to an affiliate, BCPSI. If unable to so confirm, please explain.
- c) If necessary, please reconcile the response to part a) with the balance outstanding of \$545,011 at December 31, 2010.
- d) Please confirm that there are no minutes pertaining to the existing loan(s) subsequent to July 16/09. If unable to so confirm, please explain.
- e) Does BCPI consider that it has mitigated sufficiently the possibility of default risk with respect to these loans.
- f) Please confirm that if any of the amount currently loaned to BCPSI should become bad debt, there will be no adverse impact on the regulated utility, e.g., through a credit downgrade of the utility. If unable to so confirm, please explain.

QUESTION TC #13

Reference: VECC #20 c)

- a) Please indicate whether any of the amount of \$75,661 in 2011 is for the Board of Directors of BCPSI. If so, please specify the amount that pertains to BCPSI's Board.

QUESTION TC #14

Reference: VECC #21 b) Attachment

- a) Please explain why 2008 actual recoveries from affiliates were so much higher than in the following years.
- b) Please provide the actual 2010 recoveries from affiliates.

QUESTION TC #15

Reference: VECC #28 a)

- a) Please provide a breakdown of the 36.6% increase in union average base wages over the period 2006-2009, among the following categories (i) average cost of living increases, (ii) adjustments for moving up the pay grid, (iii) comparison study adjustment for line crew wages, and (iv) other.
- b) Was the comparison study undertaken as a result of a concession made during bargaining? Please provide details.
- c) Was a collective bargaining agreement in effect when the comparison study adjustments were made?
- d) Please provide a copy of the collective agreement(s) in effect in the years 2006-2009 inclusive and provide a copy of the agreement currently in effect.