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January 27, 2012

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Thunder Bay Hydro Electricity Distribution Inc.  
2012 IRM Distribution Rate Application  
Board File No. EB-2011-0197**

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This letter acknowledges receipt of the Vulnerable Energy Consumers Coalition (VECC) Interrogatories dated January 16, 2012. Thunder Bay Hydro Electricity Distribution Inc. submits two (2) paper copies of its responses to VECC's interrogatories for TBHEDI's 2012 IRM Distribution Rate Application. An electronic copy has been submitted through the Ontario Energy Board's RESS on-line filing system and via email, including a copy to all Intervenors.

Should you require any additional information, please do not hesitate to contact the undersigned.

Yours truly,

A handwritten signature in cursive script that reads "Cindy Speziale".

Cindy Speziale, CA  
Vice President, Finance

Encl.

cc: Robert Mace, President, Thunder Bay Hydro Electricity Distribution Inc.  
Michael Buonaguro, Counsel for Vulnerable Energy Consumers Coalition (VECC)

## Response to the Vulnerable Energy Consumers Coalition (VECC) Interrogatories

### 2012 IRM Distribution Rate Application Thunder Bay Hydro Electricity Distribution Inc. ("TBHEDI") EB-2011-0197

#### LOST REVENUE ADJUSTMENT MECHANISM (LRAM)

##### **VECC Question # 1**

**Reference:** Manager's Summary Page 7 to 9

Preamble: Thunder Bay Hydro indicates that at this time it seeks an LRAM claim of \$242,551 for lost revenues from 2005 to 2007 programs, a continuation of LRAM for 2008 and LRAM for 2009 and 2010 CDM programs.

- a) VECC is not clear on the timeframe that is used to calculate the lost revenue for CDM programs in each year. Please confirm the scope of the LRAM claim.
- b) Please provide a complete summary of all prior LRAM requests.
- c) Please confirm that the LRAM amounts Thunder Bay Hydro is seeking to recover in this application are new amounts not included in past LRAM claims.
- d) Please provide the CDM program names for the acronyms GRR, ERIP and PSB.
- e) Please discuss why Thunder Bay Hydro did not have a 3<sup>rd</sup> party verify its CDM results.

#### **Responses**

- (a) Below please find the timeframe that is used to calculate the lost revenue for CDM programs in each year:
  - The persistency of 2005 -2007 programs for the 2012 rate year.
  - The persistency of 2008 programs for the 2012 rate year.
  - The persistency of 2009 programs for the 2012 rate year.
  - 2010 programs for the 2012 rate year.
- (b) Please refer to TBHEDI's response to Board Staff's interrogatory Question #8c).
- (c) Please refer to TBHEDI's response to Board Staff's interrogatory Question #8a).
- (d) The explanation of the acronyms for the CDM program names as requested is provided below:
  - GRR refers to the Great Refrigerator Roundup for residential customers.
  - ERIP refers to the Electricity Retrofit Incentive Program primarily for small commercial customers.
  - PSB refers to the Power Savings Blitz for small commercial customers.

(e) Please refer to TBHEDI's response to Board Staff's interrogatory Question #6a).

**VECC Question # 2**

**Reference:** Manager's Summary Page 8, Table – LRAM Summary

- a) Please provide a list of all CDM programs by year and indicate the funding source (OPA, Third Tranche, etc.), rate class, and source of the input assumptions used in the LRAM calculation.
- b) Please provide the following details for each CDM Program by year at the measure level that adds to the data shown in the Table on Page 8 of the Manager's Summary: # units, unit and total kWh energy savings, lifetime, and free ridership rate. Reconcile to the lost revenues shown in the Table.
- c) List and confirm OPA's input assumptions for Every Kilowatt Counts (EKC) 2006 including the measure life, unit kWh savings and free ridership rate for Compact Fluorescent Lights (CFLs) and Seasonal Light Emitting Diodes (LED). Confirm some of these assumptions were changed in 2007 and again in 2009 and compare the values.
- d) Demonstrate that savings for EKC 2006 Mass Market measures 13-15 W Energy Star CFLs & Seasonal LEDs have been removed from the LRAM claim in 2010.
- e) Adjust the LRAM claim as necessary to reflect the measure lives and energy savings for any/all measures that have expired.

**Responses**

a) Below please find a list of all CDM programs by year, indicating the funding source (OPA, Third Tranche, etc.), rate class, and source of the input assumptions used in the LRAM calculation.

Rate Class/Program	2005	Funding Source	Input Assumptions Source	2006	Funding Source	Input Assumptions Source	2007	Funding Source	Input Assumptions Source	2008	Funding Source	Input Assumptions Source	2009	Funding Source	Input Assumptions Source	2010	Funding Source	Input Assumptions Source
<b>Residential</b>																		
Seasonal LEDs	X	3rd Tranche	OEB Measures & Assumptions	X	3rd Tranche	OEB Measures & Assumptions	X	3rd Tranche	OEB Measures & Assumptions									
Energy Star Appliance Rebates	X	3rd Tranche	OEB Measures & Assumptions	X	3rd Tranche	OEB Measures & Assumptions	X	3rd Tranche	OEB Measures & Assumptions									
Secondary Fridge Retirement Program	X	3rd Tranche	OEB Measures & Assumptions	X	3rd Tranche	OEB Measures & Assumptions	X	3rd Tranche	OEB Measures & Assumptions									
Water Heater Fuel Conversion				X	3rd Tranche	OEB Measures & Assumptions												
Compact Fluorescent Bulbs	X	3rd Tranche	OEB Measures & Assumptions	X	3rd Tranche	OEB Measures & Assumptions	X	3rd Tranche	OEB Measures & Assumptions									
Home Energy Saver Kits																		
One Change CFL Initiative							X	3rd Tranche	OEB Measures & Assumptions									
OPA Fridge Bounty							X	3rd Tranche	OEB Measures & Assumptions	X	OPA	OPA Measures and Assumptions	X	OPA	OPA Measures and Assumptions	X	OPA	OPA Measures and Assumptions
OPA Summer Savings							X	3rd Tranche	OEB Measures & Assumptions	X	OPA	OPA Measures and Assumptions						
Conservation Bureau EKC Coupons				X	3rd Tranche	OEB Measures & Assumptions	X	3rd Tranche	OEB Measures & Assumptions									
OPATBH Phantom Load Pilot													X	OPA	OPA Measures and Assumptions			
<b>General Service &lt;50kW</b>																		
OPA ERIP										X	OPA	OPA Measures and Assumptions	X	OPA	OPA Measures and Assumptions	X	OPA	OPA Measures and Assumptions
OPA PSB													X	OPA	OPA Measures and Assumptions	X	OPA	OPA Measures and Assumptions
<b>Unmetered Scattered Load</b>																		
Traffic Light LEDs	X	3rd Tranche	Manufacturer Claim and 100% Verification of all installations	X	3rd Tranche	Manufacturer Claim and 100% Verification of all installations	X	3rd Tranche	Manufacturer Claim and 100% Verification of all installations									
<b>General Service &gt;50kW</b>																		
Parking Lot Winter Plug In Controls				X	3rd Tranche	Manufacturer Claim and 100% Verification of all installations	X	3rd Tranche	Manufacturer Claim and 100% Verification of all installations									
OPATBH Parking Lot Winter Plug In Pilot													X	OPA	OPA Measures and Assumptions			
OPA ERIP													X	OPA	OPA Measures and Assumptions	X	OPA	OPA Measures and Assumptions
<b>General Service &gt;1MW</b>																		
Commercial Lighting Incentive				X	3rd Tranche	Manufacturer Claim and 100% Verification of all installations												

- b) Although TBHEDI recognizes that VECC desires to see a full reconciliation, to be clear, this is not possible in the format requested by VECC. For example, seeing the number of units is too simplistic of an approach. Some programs use the number of projects or facilities. However, reconciliation could be done for very simple program like a basic CFL giveaway. Regardless, only being able to provide a partial reconciliation for VECC's review does not accomplish the intent here; a full year by year reconciliation, program by program. In addition, reconciling prior year LRAM claims violates the very premise that TBHEDI is applying for a continued persistency; again a persistency previously argued for and allowed by the Board.
- c) TBHEDI recognizes that receiving credit (LRAM) for measures beyond their useful life is not acceptable. Assumptions did change in 2007 and at the time of its 2009 Cost of Service Application EB-2008-0245, TBHEDI used the most up-to-date Measures and Assumptions. It is TBHEDI's position that no comparison calculations are required since both of those filings were approved by the Board.
- d) Since TBHEDI's LRAM claim in its IRM3 Rate Application EB-2010-0115 was previously approved by the Board and is in place as TBHEDI's current rates, TBHEDI will not be submitting a response to this question with respect to the 2010 claim. TBHEDI will however, as part of this filing for 2012, update the LRAM figures and ensure that CFLs and LEDs from both the 2006 EKC and its own 3<sup>rd</sup> tranche programs are fully removed for this LRAM claim. As such, TBHEDI's total claim for LRAM is being adjusted downward by \$9,691 to a total of \$232,860.
- e) Please see TBHEDI's response to Question 2d) above.