



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. <http://www.piac.ca>

Michael Janigan
Counsel for VECC
613-562-4002

January 17, 2013

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: EB-2012-0173 Welland Hydro-Electric System Corp.

Please find enclosed the interrogatories of VECC in the above-noted proceeding.

Yours truly,

A handwritten signature in black ink, appearing to be 'Michael Janigan', written in a cursive style.

Michael Janigan
Counsel for VECC

Encl.

cc. Welland - Wayne Armstrong - warmstrong@wellandhydro.com

REQUESTOR NAME	VECC
INFORMATION REQUEST ROUND NO:	# 2
TO:	Welland Hydro-Electric System Corp. (Welland or Welland Hydro)
DATE:	January 17, 2012
CASE NO:	EB-2012-0173
APPLICATION NAME	2013 Cost of Service Electricity Distribution Rate Application

NB: Continues from last VECC IR # 2. RATE BASE (Exhibit 2)

2.0-VECC- 35

Reference: VECC IR # 3, # 4 / Energy Probe IR # 6d

- a) Please provide Welland's comparable capital contributions from 2009 through 2013 and explain the variation in the 2013 estimate from the 2009 to 2011 average figure.

3.0-VECC- 36

Reference: VECC IR # 5 b)

- a) For each of the years 2009 through 2013 (forecast) please provide the capital cost of new and rebuilt underground service on municipal property.

2.0-VECC -37

Reference: VECC #11

- b) Please provide the full response to Board Staff IR 2b in EB-2011-0415 referenced in the response to VECC IR #11.

3. LOAD FORECAST (Exhibit 3)

3.0-VECC- 38

Reference: VECC # 14 c)

- a) Please provide the actual OPA Report setting out the final 2011 CDM results.

3.0-VECC- 39

Reference: Board #19 b)

- a) Please confirm that the monthly predicted values are based on the load forecast model as filed with August 2012 Application and the actual values shown in the response for the various independent variables.
- b) Please confirm that the “actual” CDM activity variable values shown for 2012 do not reflect the OPA’s final 2011 CDM Report results.
- c) If part (b) is confirmed, please revise the predicted values using a CDM Activity variable that reflects actual 2011 CDM program results.
- d) Please confirm that based on Welland’s load forecast methodology 2012 billed loads are not determined just based on the model’s predicted purchases but also reflect further reductions for the effect of 2012 CDM programs.
- e) Please adjust the Predicted Purchase values shown in the response (and revised per part (c) if applicable) to include the assumed impact of 2012 CDM programs.

3.0-VECC- 40

Reference: Board Staff #22 c) and d)

- a) Please provide an updated version of Exhibit 3, Tab 2, Appendix A reflecting the OPA’s final 2011 CDM results as used for the regression model.
- b) The response to part (d) suggests that the forecast model only includes the impact (and persistence) of the CDM programs for the period 2006-2010 and that a manual adjustment is needed for 2011-2013 CDM programs. However, the CDM Activity variable used in the original forecast (Exhibit 3, Tab 2, Schedule 1, pages 16-17) and, presumably, this revised forecast, included the effects of 2011 programs and a manual adjustment was only made for 2012 and 2013 programs. Please reconcile.
- c) Please provide the details supporting the calculation of the “CDM Manual Adjustment” shown in part (d) and indicate any changes required as a result of the reconciliation requested in part (b).
- d) Please explain why the manual adjustment set out in part (d) for 2013 has increased from 5.98 GWh (per Exhibit 3, Tab 2, Schedule 1, page 17) to 9.63 GWh.

3.0-VECC- 41

Reference: Board Staff #24 b)

- a) Does the forecast set out in Board Staff #24 b) reflect the updated regression model set out in Board Staff #22 c) as well as the final 2011 CDM results? If not, please explain which “model” and what “CDM Activity” underlies this forecast.
- b) Which load forecast is Welland proposing should be used for purposes of the its 2013 Rate Application: a) the original forecast filed with the Application, b) the load forecast filed in response to Board Staff #24 b) or c) a forecast based on one of the other model variations described in the IR responses? If option (c), please indicate which model is to be used and provide the equivalent of Tables 3-16 to 3-18 for the proposed forecast.
- c) Please provide Table 3-16 from the original Application updated to reflect the CDM activity used for Board Staff #24 b).

3.0-VECC- 42

Reference: Energy Probe 12 c)

- a) Please confirm whether the model estimated in response part c) used the OPA’s final 2011 CDM results to establish the CDM Activity variable. If not, please re-estimate the model and the purchased energy forecast.
- b) Given the regression statistics for the model provided in response to part c), please provide Welland’s views as to the appropriateness of using this model for load forecasting purposes.

3.0-VECC- 43

**Reference: Energy Probe #13 d)
VECC #19 a)**

- a) These two responses both purport to show updated/corrected versions of Table 3-11. However, the values for the GS>50 class are not the same. Which response has the correct table and is this the table was used to:
 - i. Calculate the values set out Table 3-12 of the original Application?
 - ii. Used in preparing the response to Board Staff #24 b)?
- b) If the correct table/values were not used in either case, please revise accordingly.

3.0-VECC- 44

Reference: Exhibit 3, Tab 2, Schedule 1, page 21

- a) Please provide an updated version of Table 3-22 based on Welland's current proposed load forecasts for 2012 and 2013.
- b) It is noted that the predicted purchases for 2012 and 2013 set out in the original application, were not "adjusted" to reflect the manual CDM adjustment made to billed loads. Please ensure that the energy purchases provided in response to part (a) reflect this adjustment.

3. OTHER OPERATING REVENUE (Exhibit 3)

3.0-VECC- 45

Reference: Energy Probe 15 c)

- a) Please update Table 3B to include December 2012, if available.

4. OM&A (Exhibit 4)

4.0 - VECC- 46

Reference: VECC IR # 25

- a) Please provide a brief description of the Utility Standard Forum (USF) and why Welland chose to be a member.

4- VECC -47

Reference: VECC IR # 28

- a) What adjustments, if any are expected when Welland moves to (M)IFRS. Does Welland plan to seek ratepayer recovery of any future costs of moving to IFRS? If so please explain its plan for cost recovery (e.g. booking of costs or when an application for cost recovery would be filed). Is the requested deferral account for Future Benefits (see Board Staff IR #48) the only regulatory cost recovery account being sought to capture IFRS related costs?

7. COST ALLOCATION (Exhibit 7)

7.0-VECC- 48

Reference: VECC #33

- a) When does Welland anticipate that it will have to start replacing the current meters used for its Large Use and GS>50 classes?

7.0-VECC- 49

Reference: VECC #34 f)

- a) Please explain why the Large User class should not be allocated a portion of the costs in each of the following Administrative and General Cost accounts:
 - i. Account 5605
 - ii. Account 5645
 - iii. Account 5655
 - iv. Account 5665
 - v. Account 5680

9. DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9)

7.0-VECC-50

Reference: Board Staff #46

- a) Please confirm that Welland is forfeiting the recovery of all LRAM and SSM amounts for all years prior to 2012.

End of Document