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August 21, 2009

VIA E-MAIL

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

Dear Ms. Walli

**Re: EB-2009-0158 and EB-2009-0192,
NOTICE OF APPLICATION AND WRITTEN HEARING RELATED TO THE
APPROVAL OF A SMART METER FUNDING ADDER;
NOTICE OF APPLICATION AND WRITTEN HEARING
RELATING TO THE RECOVERY OF LRAM/ SSM AMOUNTS**

Information Requests of Vulnerable Energy Consumers Coalition (VECC)

As Counsel to the Vulnerable Energy Consumer's Coalition (VECC), and, as directed in the Board's Notice of Application dated July 30, 2009, I hereby submit the Information Requests of my client on the above SM Funding Adder and LRAM/SSM Applications.

Yours truly,

Original signed

Michael Buonaguro
Counsel for VECC

Cc: Horizon Utilities Corporation
cameron.mckenzie@horizonutilities.com

Horizon Utilities: Application for Smart Meter Funding Adder EB-2009-00158

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

VECC Question #1

Reference: Managers' Summary Page 2

Preamble

"In support of this application, Horizon Utilities is providing:

- a detailed meter installation plan which includes the number of meters proposed to be installed and a monthly installation schedule during which the proposed smart meter funding adder is expected to be in effect;
 - the actual or estimated costs in total and on a per meter basis for:
 1. procurement and installation of the components of the Automated Meter Interrogation ("AMI") system;
 2. customer information system ("CIS");
 3. incremental operating and maintenance activities;
 4. changes to ancillary systems;
 5. stranded meters;
 - business plan justification for any smart meter or AMI costs that are incurred to support functionality that exceeds the minimum functionality adopted in O. Reg. 425/06, and an estimate of those costs;
 - a statement as to whether the distributor has incurred, or expects to incur, costs associated with functions for which the SME has the exclusive authority to carry out pursuant to O. Reg. 393/07, and an estimate of those costs."
- a) Please provide copies of the indicated information
 - b) Provide details of meter procurement costs according to each major procurement
 - c) Compare the residential customer class costs in the SM plan to the actual costs to date
 - i. Meters Capital
 - ii. Unit costs
 - iii. AMI costs
 - iv. Incremental OM&A
 - v. Integration and other back office costs
 - vi. Stranded meters, including removal and salvage

VECC Question #2

Reference: Managers' Summary Page 4 Table 2 and Page 5 Tables 4 and 5

Preamble: These Questions pertain to the Residential Class only (not GS<50kW)

- a) Please update the accomplishment of *residential* SM installations to the end of July or August (depending on availability of data)
- b) Provide a projection of the # units to be installed by the end of the Calendar year
- c) Provide year to date (July or August) Capital expenditures and projection to the end of 2009.
- d) Provide the “as installed unit cost “ 2009 YTD and compare this to that in the budget indicate the reasons for any variance

VECC Question #3

Reference: Managers' Summary Attachment A Revenue Requirement Calculations

Preamble: These Questions pertain to the Residential Class only (not GS<50kW)

- a) Confirm that the Calculations in Attachment A are for the Residential and GS<50 kW Class combined
- b) Provide a model run for the meters and expenditures for the residential class only
- c) Compare the result in terms of the summary page Revenue Requirement Rate Year Entitlement and Smart Meter (sic) Rider Billed to August 31/09 and the Revenue requirement to be recovered Sept/09 to April 30/11
- d) Compute the residential class only Rate Rider and compare to the applied for \$1.56/metered residential customer/month

Horizon Utilities LRAM/SSM Application EB-2009-0192

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

VECC Question #1

Reference: Managers' Summary Page 14 Section 2.5

Preamble

"The SSM and LRAM claim for third tranche programs carried over into 2007 was prepared by the SeeLine Group Ltd., which found that Horizon Utilities' approach and calculation are accurate and consistent with the Board CDM Guidelines. (emphasis added)

Furthermore,

Horizon Utilities has complied with the OPA Measures and Assumptions List in accordance with the OEB's endorsement of the OPA List.

Horizon Utilities 2005 and 2006 programs were approved by the OEB in Horizon Utilities 2008 EDR Application, EB-2007-0697.

The results for Horizon Utilities third tranche programs carried over into 2007 have been prepared in accordance with the OPA List. SeeLine's review of Horizon Utilities 2008 LRAM and SSM Application is provided in Appendix 1."

- a) Does Horizon agree that the OEB Guidelines Section 7.5 indicate that savings and LRAM claims should be based on the "Best Available" input assumptions at the time that the claim was prepared?
- b) Does Horizon agree that in the case of 2005 and 2006 carry forward savings, this means using the best available 2007 and 2008 input assumptions? If not explain why not.
- c) Explain why an independent review of 2007 lost revenue associated with 2005 and 2006 carry forward savings is not required, since there have been (arguably significant) changes to input assumptions for several residential mass market measures starting in 2007 (notably CFLs, Low Flow Showerheads and PTs) as demonstrated in the following OPA documents:
 - i. OPA 2007 EKC Program Calculator
 - ii. OPA 2008 Measures and Assumptions list
- d) Confirm that SeeLine did not review the 2007 and 2008 savings and LRAM for 2005 and 2006 carry forward measures for the residential sector nor make any adjustments to the values provided by Horizon.
- e) Provide a Copy of the 2007 OPA Every Kilowatt Counts Program Calculator
- f) Confirm whether Horizon reported to the OPA on the 2007 EKC campaign using Mass Market measures assumptions (particularly CFLs) specified in the OPA 2007 EKC Program Calculator
- g) Confirm whether or not Horizon reported to the OEB on 2007 and 2008 carry forward of third tranche using the OEB Guide values and not the OPA EKC Calculator values
- h) Confirm that this LRAM claim for the 2007 carry forward of third tranche mass market measures (CFLs etc) is prepared using the OEB Guide values and not the 2007 OPA EKC Calculator values (or the OPA Measures and Assumptions List)

VECC Question #2

Reference: Managers' Summary Page 14 Section 2.5

- a) Provide a Table in the format below that shows for each of the Residential Programs for each year, which source(s) of input assumptions underpin the claimed kwh and kw savings. *(Note entries below are illustrative only)*. Indicate for OPA- Funded Programs whether the 2007 Every Kilowatt Counts (EKC) Calculator or the OPA Measures for 2008 was used.

LRAM Claim	Third tranche Incl. 2005/06 Carryover	Rate funded	OPA Funded	Verification(s)
2007	OEB Guide	OEB Guide	OPA EKC Calculator	SeeLine
2008	OPA Measures	OPA Measures	OPA Measures	
SSM Claim				
2007	OEB Guide	OEB Guide	OPA EKC Calculator	SeeLine
2008	OPA Measures		OPA Measures	

- b) Provide a complete list by measure **by year** of the input assumptions used to prepare the residential load impacts in Tables 4,5,6 and 7 and associated LRAM and SSM claims. In particular provide the detailed input assumptions for all mass market measures including CFLs.
- Kwh and Kw savings
 - Free ridership
 - Cost of measure
 - Measure life
 - Source(s)/authority(ies) for assumption(s)

VECC Question #3

Reference: Managers' Summary Tables 1 and 2 and Tables 8 and 9

- a) Breakdown the Residential and Small commercial<50kw LRAM values in Tables 1 and 2 to provide the residential sector only LRAM totals and reconcile with Sub total residential sector revenue values provided in Tables 8 and 9. Explain any differences.
- b) Provide the residential unit rates applied to the kw savings to derive the lost revenue for each of 2005, 2006, 2007 and 2008

VECC Question #4

Reference: Appendix 1-SEELine Report Page 3 and Table 1

Preamble

Based on these (OEB) guidelines, it is understood by Horizon that an independent third party review is not required for any LRAM or SSM claims related to third tranche funded CDM program activity. As such, the purpose of this review of was to provide direction to Horizon on the input assumptions used in the computation of its LRAM savings relating to its 2007 programs.

VECC Question #5

Reference: Appendix 1-SEELine Report Page 3 and Appendix Tables 1 and 2 and Table 3

- a) Complete the following Input Assumptions and Kwh savings Comparison Table (based on Tables 1,2 and 3) in the Format below for Residential Mass Market measures and Social Housing:

Program	Efficient Measure	Participants	Filed OEB unit kw savings assumption	Free Ridership	Net Kwh Per 2007/2008 LRAM Claim	OPA 2007 EKC Calc or 2008 Measures List	Free Ridership	Net kwh
2005								
Call to action	CFLs	800	106.7	10%	76,824	43	30%	24,080
Retailer Program	CFL Screw in 15w	10,062	104	10%	945,430	43	30%	
	LED Xmas Lights	1579	45	5%	66,756	43	30%	
Social Housing	CFL 13w	28,104	108.9	1%	3,029,920	43	1%	
	CFL 23w	8,236	178.6	1%	1,456,240	74	1%	
TOTAL								
2006								
Community Events	13 watt CFL	36,796	109.0	10%	3,611,012	43	30%	
Cons Champs	13 watt CFL	6,000	109.0	10%	588,816	43	30%	
Ebilling	13 watt CFL	1,080	109.0	10%	105,987	43	30%	
Environment Hamilton	13 watt CFL	12,860	109.0	10%	1,262,029	43	30%	
Fridge Bounty	13 watt CFL	1,518	109.0	10%	148,970	43	30%	
Smart Pak	13 watt CFL	3,800	109.0	10%	372,917	43	30%	
TAPS	13 watt CFL	6,196	109.0	10%	678,709	43	30%	
OPA 2006 EKC Spring	13 watt CFL	57,235	104.4	10%	5,359,918	43	30%	
OPA 2006 EKC Fall	13 watt CFL	64,728	104.1	10%	6,082,380	43	30%	
TOTAL								

- b) Comment on the material differences between the result of using updated input assumptions

VECC Question #6

References: Managers Summary Tables 4 and 8 and Table 11
Appendix 1-SeeLine Report Page 3

Preamble

"Results from this review process indicate that the 2005 and 2006 LRAM program savings claims are those based on the OEB Measure and Assumptions List, which at the time were made available on the Board's website. They are also consistent with Horizon's earlier EB-2007-0697 application as approved by the OEB."

- a) Confirm Horizon participated in the 2007 OPA Every Kilowatt Counts (EKC) Campaigns?
- b) Compare the EKC Program Calculator Input assumptions for CFLs, Low flow showerheads and PTs with those in the Seeline report Appendix A Table 1
- c) Explain why the 2005 and 2006 carry forward estimates of load impacts for CFLs, Low Flow Showerheads and PTs should not be adjusted to reflect the OPA 2007 EKC program calculator values that were available in 2007 (and presumably used to report to the OPA)?
- d) Explain why persistence is not a major issue for carry forward savings from mass market measures installed in 2005 and 2006 in particular provide a rationale for not applying a persistence factor for 2005 installed CFLs
- e) Provide a revised version of Tables 4 and Table 8 using either the 2007 OPA EKC Program calculator values for all 2005 and 2006 carry over residential Mass Market Measures or the OPA -attributed values in Table 1 of Appendix A of the SeeLine Report.
- f) Provide the corresponding adjustment to Carrying Costs in Table 14.

VECC Question #7

Reference: Managers Summary Appendix 2

- a) Provide a copy of the Residential Sector/Mass market (and If applicable Social Housing Sector) Report(s) that Horizon provided to OPA , including the detailed breakdown of measures, unit savings, participants and other assumptions.