Oakville Hydro
Electricity Distribution Inc.
P. O. Box 1900
861 Redwood Square
Oakville ON L6J 5E3
Telephone: 905-825-9400
Fax: 905-825-5831
email: hydro@oakvillehydro.com
www.oakvillehydro.com

November 20, 2009

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: Oakville Hydro Electricity Distribution Inc.
Oakville Hydro's Responses to the OEB Board Staff Interrogatories on 2010 Electricity Distribution Rate Application – EB-2009-0271

Please find enclosed Oakville Hydro's responses to the interrogatories of the Ontario Energy Board Staff in the above-noted proceeding.

Respectfully submitted,

Cristina Birceanu
Oakville Hydro Electricity Distribution Inc.
Manager, Regulatory Affairs
Direct Line: (905)-825-4422
Direct Fax: 905-825-4435
Cell: 416-578-2553
cbirceanu@oakvillehydro.com

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.O.15, Sch. B;

AND IN THE MATTER OF an Application by Oakville Hydro Electric Distribution Inc. for an Order or Order setting just and reasonable rates commencing May 1, 2010.

Oakville Hydro Electricity Distribution Inc.
Responses to Interrogatories

Ontario Energy Board Staff (Board Staff)

Filed: November 20, 2009

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Rate Base

1. ***Ref: Exhibit 2 / Tab 1/ Sch. 1/ Page 1 – Rate Base***

In Table 1 – Summary of Rate Base, the Rate Base amount for Test Year 2010 is $132,448,078. At Exhibit 2 / Tab 1/ Sch. 1/ Page 1 / line 14 the rate base for the Test Year is indicated as $19,311,062. Please reconcile these two amounts and explain the reason for the differences.

RESPONSE:

Exhibit 2 / Tab1/ Sch. 1/ Page 1/ line 14 referenced in error the working capital allowance of $19,311,062 rather than the rate base of $132,448,079. Oakville Hydro's 2010 rate base is as $132,448,079.

Capital Expenditures

2. Ref: Exhibit 2/ Tab 4/ Sch. 3/ Appendix A Pg. 28 – Rebuild Overhead Distribution System

a) Please clarify whether the Pre-2009 amount of $1,238,572 for. Replace/ Rebuild Back Lot Overhead is included in the Rate Base prior to 2009.

RESPONSE:

The pre-2009 amount of $1,238,572 is not included in the rate base prior to 2009.

b) Please explain the difference, if any, between the nature of the expenditure listed in (a) and the expenditures in Exhibit 2/ Tab 4/ Sch. 2/ page 32/ line 9 -16 which are also classified as "Replace/Rebuild Back Lot Overhead".

RESPONSE:

The overhead rebuild projects listed in (a) were budgeted in 2006 and 2007 but were still in progress in 2009 and were not into service. An additional amount was budgeted for these projects in the 2009 Bridge Year.

The expenditures listed in Exhibit 2/ Tab 4/ Sch. 2/ page 32/ line 9 -16 relate to the projects that were capitalized in 2008.

3. Ref: Exhibit 2/ Tab 4 – Capital Expenditures

Table 1

Year	2004	2005	2006	2007	2008	2009 Bridge	2010 Test
Rebuild Overhead Distribution System	$488,541	$1,677,737	$1,569,725	$1,549,168	$4,595,708	$8,077,230	$5,429,000

a) To review Oakville Hydro's expenditures on "Rebuild Overhead Distribution System", using the information provided in Exhibit 2/ Tab 4, Board staff prepared the above table. Please confirm that Oakville Hydro agrees with the figures presented in Table 1. If Oakville Hydro does not agree with any figures in the table, please explain why not and provide amended tables with a full explanation of all changes.

RESPONSE:
Oakville Hydro agrees with the figures presented in Table 1.

b) The annual average expenditures on "Rebuild Overhead Distribution System" is approximately $1.3 million for the period 2004 to 2007. Please explain the reasons for the increase in 2008, 2009 and 2010.

RESPONSE:

There are four main reasons for the increases in 2008, 2009 & 2010:

1. Oakville Hydro initiated a multi-year program in 2005 to rebuild and reconfigure the aging rear-lot network. The main goal is to eliminate high voltage lines from rear yards in the interest of public and worker safety, and reliability. Investments began in 2006 and have been increasing annually.

2. Oakville Hydro performed an assessment of the older 4kV system in 2005. A five year plan was initiated in 2006 to rebuild the system, where required, to adhere to current standards, with an annually increasing investment.

3. Oakville Hydro has an annual pole testing program. Testing results within the last few years have indicated that more poles require replacement, increasing the annual investment requirement.

4. Oakville Hydro has an annual porcelain insulator replacement program. Older porcelain insulators have exhibited failure causing potential safety concerns and decreased reliability. There have been increases in investment with the goal to complete the main high voltage circuits by 2013.

c) Does Oakville Hydro have a plan that will ensure that all the projects identified under "Rebuild Overhead Distribution System" will be completed on time in 2009 and 2010?

RESPONSE:

Oakville Hydro has a plan that ensures projects are completed on time in 2009 and 2010. The plan consists of an Microsoft Project tracking file for the projects and regular program meetings with Oakville Hydro personnel responsible for the project.

d) Please provide the percentage of the completed expenditures as compared to total 2009 bridge year budget of $8,077,230 as of September 30, 2009 or the latest information that is available.

RESPONSE:

The percentage of completed expenditures as compared to the total 2009 bridge year budget of $8,077,230 is 72.9%, as of September 30, 2009.

4. Ref: Exhibit 2/ Tab 4 – Capital Expenditures

Table 2

Year	2004	2005	2006	2007	2008	2009 Bridge	2010 Test
New Development & Services	$1,535,092	$1,769,189	$100,518	($598,589)	$2,582,084	$4,869,748	$1,587,700

a) To review Oakville Hydro's expenditures on "New Development & Services" using the information provided Exhibit 2 / Tab 4, Board staff prepared the above table. Please confirm that Oakville Hydro agrees with the figures presented in Table 2. If Oakville Hydro does not agree with any figures in the table, please explain why not and provide amended tables with a full explanation of all changes.

RESPONSE:

Oakville Hydro agrees with the figures presented in Table 2 except for 2009 which should be $4,699,478..

b) On Exhibit 2/ Tab 4/ Sch. 2/ page 24 – 25, under the 2007 capital summary, Oakville Hydro states: "Due to timing differences, Oakville Hydro invoiced developers for capital projects designed to enhance services and equipment for these subdivisions $3,738,638, an amount that was $598,589 more in 2007 than was capitalized in the year." Please explain whether this Contributed Capital (Invoiced amount to developers) is for the projects completed in 2007 or projects for other years.

RESPONSE:

Due to the referenced timing differences (contributed funds are booked when received, projects are capitalized when put into service), contributed capital received in 2007 is for projects completed in 2006, 2007 and 2008.

c) The annual average expenditures on "New Development & Services" is approximately $0.7 million for the period 2004 to 2007. Please explain the reasons for the increase in 2008, 2009 and 2010.

RESPONSE:

Due to timing differences the annual investments vary. Also, the amounts vary due to customer demand, and the timing of customer demand. Through 2008 and 2009, a many new development projects have been finalized, increasing the investment in those years. Forecasts indicate that 2010 is expected to be more in the range of pre-2008 years.

d) Does Oakville Hydro have a plan to ensure that all the projects under "New Development & Services" will have been completed on time in 2009 and 2010?

RESPONSE:

Oakville Hydro has programs and processes to ensure that projects under "New Development and Services" are completed on time. In essence, the customers and developers drive the timing for these projects, and we execute projects accordingly to meet required in-service dates.

e) Please provide the percentage of the completed expenditures as compared to total 2009 bridge year budget of $4,869,748 as of September 30, 2009 or the latest information that is available.

RESPONSE:

The percentage of the completed expenditures as compared to total 2009 bridge year budget of $4,669,748 is 72.7%, as of September 30, 2009.

5. Ref: Exhibit 2 / Tab 4/ Sch. 3/ Page 11/ Appendix 2-B – 2009 Capital Projects Table

Oakville Hydro provided the totals for "Rebuild for Road Widening / Railway Work" and "New Development & Services" as $421,888 and $8,117,597 respectively. But based on the amounts provided in the appendix, staff has calculated that the total amount for "Rebuild for Road Widening / Railway Work" should be $251,889 and the total amount for "New Development & Services" should be $4,869,748. Please reconcile the numbers provided in Exhibit 2 with those provided in the appendix.

RESPONSE:

Oakville Hydro had excluded the capital contribution column from the calculation of the total budget and therefore the "Rebuild for Road Widening / Railway Work" and "New Development & Services" of $421,888 and $8,117,597 respectively represent the total budgeted expenditures before capital contributions. For greater clarity, Oakville Hydro has reproduced Exhibit 2 / Tab 4/ Sch. 3/ Page 11/ Appendix 2-B – 2009 Capital Projects Table below to include the capital contributions in the calculation of the total budget. The net amounts provided in the revised appendix agree to staff calculations for "Rebuild for Road Widening / Railway Work" of $251,889 and for "New Development & Services" of $4,869,748.

Appendix 2-B (Revised to Show Amounts Net of Capital Contributions)
2009 Capital Projects Table

Project	1808	1810	1820	1830	1835	1840	1845	1850	1855	1860	1920	1925	1930	1940	1955	1980	1995	Total Budget
Substations			2,562,569	13,000	9,000	22,000	26,600									80,000		2,713,169
Rebuild for Road Widening / Railway Work				264,781	157,108												-170,000	251,888
Load Transfer Safety & Security					45,000	175,000												220,000
Voltage Conversion						200,000	270,000	486,000										956,000
27.6 kV Additions				305,700	484,300	217,500	72,500											1,080,000
Rebuild Underground Distribution System						938,509	1,505,620	98,000										2,542,129
Rebuild Overhead Distribution System				2,641,732	1,951,114	1,855,828	1,058,369	537,742	32,444									8,077,230
New Development & Services				124,897	46,679	445,555	1,868,814	3,758,600	1,598,055	274,997							-3,247,849	4,869,748
Supervisory Control & Communications																845,938		845,938
Metering										900,000								900,000
Vehicles													323,500					323,500
Tools														110,000				110,000
Information Technology											330,084	252,740			137,171	765,000		1,484,995
Buildings	8,000	265,000	80,500															353,500
	8,000	265,000	2,643,069	3,350,110	2,693,200	3,854,392	4,801,903	4,880,343	1,630,499	1,174,997	330,084	252,740	323,500	110,000	137,171	1,690,938	(3,417,849)	24,728,098

6. Ref: Exhibit 2 / Tab 4/ Sch. 4/ Page 9/ Appendix 2-B – 2010 Capital Projects Table

In Appendix 2-B, Oakville Hydro filed a table that listed the expenditures of 2010 capital projects by accounts. Please add a column in the same table which identifies the total amounts for each project.

RESPONSE:
Oakville Hydro has revised Appendix 2-B – 2010 Capital Projects Table to include a column which provides the total amounts for each project.

Appendix 2-B (Revised in Response to Board Staff Interrogatory #6)
2010 Capital Projects Table

Project	1810	1820	1830	1835	1840	1845	1850	1855	1860	1920	1925	1930	1940	1980	1995	Total
Substations		750,000														750,000
Rebuild for Road Widening / Railway Work			110,000	55,000		85,000									-85,000	165,000
Load Transfer Safety & Security					175,000	125,000										300,000
Voltage Conversion			124,000	42,500			263,500									430,000
27.6 kV Additions				200,000	75,000	475,000										750,000
Rebuild Underground Distribution System					225,000	893,000	75,000	250,000								1,443,000
Rebuild Overhead Distribution System			2,142,770	1,670,696	431,297	296,567	887,670									5,429,000
New Development & Services			56,667	28,333	202,503	1,020,619	1,959,578	850,000							-2,530,000	1,587,700
Supervisory Control & Communications														300,000		300,000
Metering									750,000							750,000
Vehicles												340,000				340,000
Tools													130,000			130,000
Information Technology										165,200	1,041,800			611,000		1,818,000
Building	300,500	21,500														322,000
	300,500	771,500	2,433,437	1,996,529	1,108,800	2,895,186	3,185,748	1,100,000	750,000	165,200	1,041,800	340,000	130,000	911,000	-2,615,000	14,514,700

7. Ref: Exhibit 2 / Tab 4/ Sch. 4/ Page 2 – 2010 Capital Summary

On page 2, line 10-11, it states: "it is estimated that after the conversion of these two stations maintenance costs will be reduced by approximately $13,000 per year. "

a) Please confirm whether Oakville Hydro has included this reduction in its 2010 Maintenance costs.

RESPONSE:

This is a maintenance cost with respect to labour costs only. The existing breakers require maintenance every two years that involves time for switching, breaker racking, oil management, contact cleaning and mechanical maintenance. The new breakers do not require any of this maintenance, so Oakville Hydro will be able to save labour time to work on other projects.

Overall, there is no reduction in maintenance costs. These labour savings from maintaining substation equipment are being reallocated to maintaining the automation equipment that controls Oakville Hydro's system. Oakville Hydro is striving for higher levels of controls and automation, and each new switch addition results in increased maintenance work for Protection and Control therefore, Oakville Hydro must realize maintenance savings in its substations to compensate.

b) If the answer to (a) is affirmative, please provide the details in 2010 maintenance costs which reflects this reduction.

RESPONSE:

See part (a) above.

Service Quality and Reliability

8. Ref: Exhibit 2 / Tab 4/ Schedule 7/ page 6 / Table 25 – Service Reliability Indices

For any annual result where performance is outside (higher than) the range of the previous three years' performance, please provide an explanation for the reason(s) for deteriorated performance, Oakville Hydro's efforts to address the matter and, if available, the impacts of service improvement efforts.

RESPONSE:

Four major events occurred during the 2007 year that significantly affected the reliability statistics, in particular, duration statistics. In March 2007 there were a freezing rain event, and two vehicle accidents causing damage to Oakville Hydro's distribution system. In June of 2007 there was a wind storm causing some significant outages. These four events accounted for 47.9% of the annual interruption statistic for duration. All of these events were out of Oakville Hydro's control.

The 2008 CAIDI is outside the range of the previous three years' performance. However, The SAIDI and SAIFI are within range. The CAIDI increased due to a similar SAIDI (duration stat) but a decreased SAIFI (frequency stat).

Reliability Indicator		Year						
		2002	2003	2004	2005	2006	2007	2008
System Average Interruption Duration Index (SAIDI)	All outages	1.21	0.93	0.57	0.70	0.79	1.26	1.54
	Excluding Loss of Supply (Cause Code 2)						1.25	1.21
System Average Interruption Frequency Index (SAIFI)	All outages	2.27	1.12	1.03	1.64	1.09	1.72	1.60
	Excluding Loss of Supply (Cause Code 2)						1.53	1.28
Customer Average Interruption Duration (CAIDI)	All outages	0.54	0.83	0.55	0.43	0.72	0.73	0.96
	Excluding Loss of Supply (Cause Code 2)						0.82	0.94

Year	CAIDI	Previous 3 year maximum range CAIDI
2002	0.54	
2003	0.83	
2004	0.55	
2005	0.43	0.83
2006	0.72	0.83
2007 (Total System)	0.73	0.72
2007 (without Code 2)	0.82	0.72
2008 (Total System)	0.96	0.73
2008 (without Code 2)	0.94	0.73

Load and Customer Forecasting

9. Ref: Exhibit 3 / Tab 2/ Sch. 1/ page 14 – Load Forecasting Model

Various data points are used in the regression model and Oakville Hydro stated that one of the data sources is "Report- Administrative Services Committee – Best Planning Estimates of Population, Occupied Dwelling Units and Employment for the Period of 2007-2021 – Town of Oakville (issued on April 10, 2007) for population growth."

Please provide the material issued by the Town of Oakville on April 10, 2007 related to Best Planning Estimates of Population, Occupied Dwelling Units and Employment for the Period of 2007-2021.

RESPONSE:

Please see Appendix OEB 9.

10. Ref: Exhibit 3 / Tab 2/ Sch. 1/ page 4 – Load Forecasting Model

In the above reference, Oakville Hydro states: "In November of 2008, Oakville Hydro experienced a significant loss of load resulting from its only Large Use customer (Customer A) shutting down operations. The customer chose to cease production in Oakville due to the current economic recession. This customer's demand dropped from 10 MW to less then 0.4 MW, demonstrating a steep decline in usage. This significant drop in demand drove Oakville Hydro's decision to include Customer A's consumption as an independent variable in the multifactor regression model."

In Exhibit 3/ Tab 2/ Sch. 1/ page 32-46, Oakville Hydro made adjustments to the modeled forecast for 2009 and 2010 to reflect the impact of business closures for customer B, C, D, and E.

a) Oakville Hydro has chosen to include customer A as an independent variable. Please explain why the independent variable of Ontario Real GDP Monthly % would not be sufficient to represent the economic situation.

RESPONSE:

Oakville Hydro has chosen to include customer A as an independent variable and believes that Ontario Real GDP Monthly % is not sufficient in predicting at the best fit the load based on the following grounds:

- Ontario Real Gross Domestic Product (GDP) Monthly % is a basic measure of Ontario's economic performance and it is the market value of all final goods and services made within the borders of the province in a year. GDP is a macroeconomic indicator and a fundamental measurement of production, but it is under criticism when it comes to reflect specific local economic downturns and reactive business decisions. While in Oakville Hydro's jurisdiction the economic recession has been striking heavily, in some other jurisdictions the effect could be less remarkable.

- A multivariable regression provides the best results when using more independent variables, which can explain and offer the best fit to the dependent forecasted data (i.e. purchased kWh). The best regression is the regression which provides the best statistics indicators (i.e. Multiple R and R Square)

- Customer A was the most significant customer; its annual consumption represented more than 5% of the total Oakville Hydro's annual purchases; its monthly demand represented of 10 MW represented appreciatively 4% of the wholesale average peak (250 MW); the loss of this customer is a major driver of the future consumption reduction

- Oakville Hydro analyzed many variables that could affect the consumption; it tested five versions of its load forecast using different variables with the intention of probing the sensitivity of the load forecast. In its application, Oakville Hydro revealed the principles of choosing the final multifactor regression version in Exhibit 3, Tab 2, Schedule 1, Page 9.

With regard to Ontario's Real GDP prediction for 2009 and 2010, Oakville Hydro has investigated the last released forecast for 2009 and 2010 GDP.

On October 22, 2009 the Ontario Minister of Finance provided a fall update to the 2009 Ontario Economic Outlook and Fiscal Review. In this review the 2009 GDP was updated from -2.5% to -3.5% and the 2010 GDP was updated from 2.3% to 2.0% (please see the "Economic Outlook and Fiscal Review" in Appendix OEB 10 – page 5)

Oakville Hydro has updated its Load Forecast with the above 2009 and 2010 Ontario's real GDP, and the results show a decrease of 0.31% and of 0.77% for 2009, respectively, 2010 forecast purchases. The results are presented in the following table.

Comparison: Prefilled versus Updated Load Forecast results

Sensitivity Actual versus Preadicted			
Year	**prefilled**	**updated with the very last 2009 & 2010 GDP**	
1998	-1.65%	-1.67%	
1999	1.57%	1.57%	
2000	0.04%	0.04%	
2001	0.45%	0.46%	
2002	0.62%	0.63%	
2003	0.46%	0.46%	
2004	-1.43%	-1.43%	
2005	-1.04%	-1.04%	
2006	-0.02%	-0.01%	
2007	0.15%	0.16%	
2008	0.14%	0.16%	
Regression Statistics			
Multiple R	95.57%	95.59%	
R Square	91.34%	91.37%	
Coeficient - Population	20.15	16.74	
Coerficient- Dwelling Units	N/A	N/A	
Coeficient Large User	1.40	1.38	variance
2009 partial Weather Normal - 11-year average [GWh]	1,551	1,546	-0.31%
2010 Weather Normal - 11-year average [GWh]	1,551	1,539	-0.77%

Oakville Hydro is requesting that its load forecast be updated with Ontario's Real GDP of -3.5% for 2009 and 2.0% for 2010 when final rates are determined.

b) Oakville Hydro has chosen to make adjustments to the modeled forecasted for customers B, C, D, and E. Please explain why the independent variable of Ontario Real GDP Monthly % would not be sufficient to represent the economic situation.

RESPONSE:
Please see the above response to interrogatory 10 (a).

In addition, Oakville Hydro believes that Ontario Real GDP Monthly % can not precisely reflect the economic impact of business closure decisions which, beside the effect of economic recession, are driven by:

1. Economic efficiency – which we believe drove customer D's decision to build its own feeder

2. Market response – which drove customer E to decide to shut down its old style light bulb manufacturing due to market changes toward more efficient lighting products
3. Bankruptcy – customer B and C

c) Please explain why Oakville Hydro did not include customers B, C, D and E as an independent variable in the multifactor regression model.

RESPONSE:

Oakville Hydro did not include customers B, C, D and E as an independent variable in the multifactor regression model since the relevant billing data is not readily available.

While the data for Oakville Hydro's total system load is available dating back to January 1998, billing data is only available dating back to January 2002.

In February 2003, Oakville Hydro changed its billing system from Daffron to Harris in order to resolve billing problems created by the old billing system and to fulfill regulatory requirements. The transfer of historical data to Harris went back as far as January 2002 but the historical billing data from 1998 to 2001 was not loaded into Harris. As a result the historical billing for customers B to E is not readily available from 1998 to 2001. Data from 1998 to 2008 is required to complete a comparable regression analysis.

With regards to Customer A, this customer was Oakville Hydro's Large Use customer. Customer A is an embedded market participant as a result Oakville Hydro monitors its consumption outside of the billing system. Oakville Hydro also uses Customer A's metered consumption to reconcile the cost of power (monthly IESO invoice) which includes Customer A's demand in the total Oakville Hydro's peak demand and, respectively, in the total transmission charges. Its historical metered consumption data was available dating back to January 1998.

d) Please provide the regression statistics and forecasted weather normalized load for 2009 and 2010 by including customers B, C, D, and E in the multifactor regression model.

RESPONSE:

N/A. Please see the above answer to question 10 (c).

11. Ref: Exhibit 3 / Tab 2/ Sch. 1/ page 32-35 – Customer B

On page 32 line 23, Oakville Hydro stated that: "No replacement customer consumption data, if any, is known at present." What would be Oakville Hydro's proposal if the replacement load is obtained?

RESPONSE:

Oakville Hydro made the above statement to underline the fact that its distribution assets allocated to the customer's location have no revenue return at present. The assets should be maintained at the same capacity and reliability as they would have served the original customer's demand.

To the best of our knowledge, a replacement load is not expected in 2010.

If the replacement load is obtained at the location of the customer in question, Oakville Hydro will record in account 1572 the revenue received for additional volumes sold at these locations that is above the volumes assumed in the approved load forecast and seek approval to dispose of this revenue at an appropriate future date.

12. Ref: Exhibit 3 / Tab 2/ Sch. 1/ page 36-38 – Customer C

a) Please identify the class that customer C currently resides?

RESPONSE:

Customer C resides in the General Service 1000 to 4999 kW class.

b) Please identify the class that customer C would be placed in 2010?

RESPONSE:

Presently, customer C's location is vacant and locked. The account was transferred into the landlord's name in June 2009.

Oakville Hydro does not have access to read the meter, and the bills have been produced based on estimated consumption. This is the reason why this customer has not been reclassified at this time. Oakville Hydro needs actual consumption information in order to reclassify a customer.

c) On page 36 line 9, Oakville Hydro stated that: "No replacement customer data, if any, is known at present." What would be Oakville Hydro's proposal if the replacement load is obtained?

RESPONSE:

Please see the answer to the interrogatory # 11.

13. Ref: Exhibit 3 / Tab 2/ Sch. 1/ page 39-41 – Customer D

a) Please identify the class that customer D currently resides?

RESPONSE:

Customer D resided in General Service 50 to 999 kW class. Its account was terminated in March 2008.

b) Please confirm whether customer D would still be Oakville Hydro's customer in 2010 or not.

RESPONSE:

Customer D (Neighboring Utility) – IESO Control Room Location, built its own feeder eliminating Oakville Hydro's feeder use. Its account was finalized on March 17, 2008. Customer D will not be Oakville Hydro's customer in 2010.

c) If the answer to (b) is affirmative, what class would customer D be placed in 2010?

RESPONSE:
N/A.

d) What would be Oakville Hydro's proposal if the replacement load is obtained?

RESPONSE:

Customer D, which is a neighboring utility, will no longer use Oakville Hydro's feeder; therefore, no replacement load will be obtained in 2010.

14. Ref: Exhibit 3 / Tab 2 / Sch. 1 / Page 26 / Table 8 – Customer/Connection Forecast

Under Table 8, the customer forecast for General Service > 1000 kW for 2009 and 2010 are 17 which maintains the same level as 2008 actual.

a) Please confirm whether the customer forecast for General Service > 1000kW has taken into account the loss that Oakville Hydro had.

RESPONSE:

Oakville Hydro has taken into consideration the loss that it had.
The forecasted number of customers is 17 as this number has been the same during all 7 historical years.

Oakville Hydro reclassified Customer B from GS> 1000 kW to GS 50 to 999 kW in September 2008, and reclassified other customer from GS 50 to 999 kW to GS> 1000 kW class in May 2009. (i.e. adjusted number of customers: 17-1+1=17)

Please note that the total historical and forecasted number of customers presented in Oakville Hydro's load forecast is shown in average-year format; in some instances, what appears to be a new customer added to a class is actually an old customer reclassified to that class.

According to the mass media announcement, Customer E is expected to shut down its operations in August 2010 (please see Exhibit 3, Tab 2, Schedule 1, Page 45- Report on Business), therefore Oakville Hydro did not adjust the 2010 number of customers for Customer E as its reclassification will occur within the 2010 rate year.

b) Please confirm whether Oakville Hydro is expecting that any lost customers would be replaced by new ones added in 2010.

RESPONSE:

At the present, Oakville Hydro is not expecting that any lost customers would be replaced by new ones in 2010.

The establishment of specific revenue requirements through cost causality determinations is a fundamental rate-making principle. Cost allocation is key to implementing that principle.

Taking in consideration the cost causality principle, Oakville Hydro believes that the upward reclassification of customers does not qualify as a replacement for other lost customer loads.

15. Ref: Exhibit 3 / Tab 2 / Sch. 1 / Page 31- kW Load Forecasting
On line 6, it states: "Note: the predicated 2009 and 2010 kW for Large Use class was added to GS 50 to 999 kW"
Please identify the amount for the Large Use class.

RESPONSE:

The predicted demand added to GS 50 to 999 kW as a result of Large Use customer reclassification is 5,449 kW in 2009 and 5,472 in 2010.

Other Revenues
16. Ref: Exhibit 3 / Tab 3 / Sch. 1 / Page 6 – Interest and Dividend Income

Please provide a breakdown of the interest income for 2008, 2009 and 2010 that is related to:

I. Monthly interest earned in the bank account

RESPONSE:

The breakdown of interest income for 2008, 2009 and 2010 is provided in Exhibit 3, Tab 4, Schedule 2, Appendix 2-D, on page 4. Please note that for the year 2008 only, interest on Regulatory Assets and Liabilities is shown on a net basis.

II. Interest on Regulatory assets/ Liabilities

RESPONSE:

See response to 16 (I). Although interest income on regulatory assets/liabilities is included in the referenced table, interest income is excluded from the calculation of revenue requirement in the 2010 Test Year.

III. Interest earned on loans Oakville Hydro has made to its affiliate Businesses

RESPONSE:
See response to 16 (I).

IV. *All other sources.*

RESPONSE:
See response to 16 (I).

Operating Expenses

17. Ref: Exhibit 4 / Tab 2 / Sch. 3 / Page 6 – Collections

On line 11, it states that "Oakville Hydro has purchased credit receivable insurance which covers approximately 30 non-MUSH, non-residential companies on a named basis, plus an additional $50,000 coverage on a unnamed basis." In the above reference, Oakville Hydro stated that it has purchased the credit receivable insurance, please discuss why its 2010 forecasted bad debt expense increased to $276,587 from the 2009 bad debt expense of $200,000.

RESPONSE:

In 2008 Oakville Hydro had one significant customer who had a very good payment history go into bankruptcy without any warning. That bad debt cost the company approximately $250,000. The credit insurance Oakville Hydro has purchased is on a named commercial account basis, with a general allowance of up to $ 50,000 on an unnamed commercial account basis (residential accounts are excluded). The coverage by account fluctuates depending upon the credit position of the specific company.

The economy in Oakville is significantly affected by the automotive industry and has not yet recovered from the recession. There is an increase in the collection activity for residential customers as well as small commercial customers on both their electricity accounts and customer requested construction activity accounts. There has also been an increase in residential and small commercial customer requests for extended payment terms.

At the time of the rate submission Oakville Hydro had 7 months of actual experience on which to base its forecast, but as it has not yet seen a clear improvement in the economy, Oakville Hydro felt it was prudent to increase our allowance for doubtful accounts to cover any unexpected unnamed or residential accounts.

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18. Ref: Exhibit 4 / Tab 2 / Sch. 5 / Page 2 / Appendix 2-G – OM&A

Expense Table
In Appendix 2-G, the total OM&A expense for 2006 & 2007 Actual are $9,994,397 and $8,913,036 respectively. In reference to the Board's 2006 and 2007 Yearbook of Electricity Distributors, the sum of the Operation, Maintenance, and Administration for Oakville Hydro were $11,235,887 and $10,460,615 respectively. Please reconcile these amounts and explain the reason(s) for the differences.

RESPONSE:

As shown in the following table, the difference between the 2006 and 2007 total OM&A expenses in Appendix 2-G and the amounts reported in the Board's 2006 and 2007 Yearbook of Electricity Distributors is due to the exclusion of account 5625, Administrative Expense Transferred – Credit from the total Administration amounts reported in the Yearbooks.

In 2006 and 2007 Oakville Hydro had reported these Administrative Expense Transferred - Credits (recovery of costs from affiliates) as revenue in OEB account 4220 when filing the trial balance data for its RRR section 2.1.7 filing. In analyzing the trial balance data for the cost of service application Oakville Hydro corrected this data and updated the RRR section 2.1.7 filing for 2006 and 2007.

Appendix 2-G
Detailed, Account by Account, OM&A Expense Table
Reconciliation to Ontario Energy Borad - Yearbook of Electricity Distributors

	2006 Actual	2006 Year Book	2007 Actual	2007 Year Book
Operation				
5005-Operation Supervision and Engineering	518,847		454,458	
5010-Load Dispatching	417,434		646,711	
5012-Station Buildings and Fixtures Expense	203,090		255,498	
5014-Transformer Station Equipment - Operation Labour	-		-	
5015-Transformer Station Equipment - Operation Supplies and Expenses	-		-	
5016-Distribution Station Equipment - Operation Labour	87,032		80,968	
5017-Distribution Station Equipment - Operation Supplies and Expenses	6,421		4,217	
5020-Overhead Distribution Lines and Feeders - Operation Labour	135,913		127,369	
5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	81,237		70,166	
5030-Overhead Subtransmission Feeders - Operation	-		-	
5035-Overhead Distribution Transformers- Operation	3,903		442	
5040-Underground Distribution Lines and Feeders - Operation Labour	447,530		597,869	
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	97,550		61,305	
5050-Underground Subtransmission Feeders - Operation	-		-	
5055-Underground Distribution Transformers - Operation	20,589		5,087	
5065-Meter Expense	347,382		359,967	
5070-Customer Premises - Operation Labour	97,842		45,382	
5075-Customer Premises - Materials and Expenses	120,995		214,482	
5085-Miscellaneous Distribution Expense	512,837		572,865	
5095-Overhead Distribution Lines and Feeders - Rental Paid	-		-	
Total Operation	3,098,604	3,098,604	3,496,787	3,496,787
Maintenance				
5105-Maintenance Supervision and Engineering	14,619		11,483	
5110-Maintenance of Buildings and Fixtures - Distribution Stations	60,850		46,651	
5112-Maintenance of Transformer Station Equipment	-		-	
5114-Maintenance of Distribution Station Equipment	266,529		194,367	
5120-Maintenance of Poles, Towers and Fixtures	116,899		119,106	
5125-Maintenance of Overhead Conductors and Devices	250,919		210,370	
5130-Maintenance of Overhead Services	36,968		32,778	
5135-Overhead Distribution Lines and Feeders - Right of Way	190,945		221,747	
5145-Maintenance of Underground Conduit	58,860		40,388	
5150-Maintenance of Underground Conductors and Devices	212,685		198,609	
5155-Maintenance of Underground Services	163,732		159,867	
5160-Maintenance of Line Transformers	194,111		226,093	
5175-Maintenance of Meters	735		1,856	
Total Maintenance	1,567,850	1,567,850	1,463,315	1,519,955
Billing and Collecting				
5305-Supervision	96,693		105,394	
5310-Meter Reading Expense	569,828		520,995	
5315-Customer Billing	656,668		698,211	
5320-Collecting	102,474		147,139	
5325-Collecting- Cash Over and Short	-		-	
5330-Collection Charges	(92,871)		(156,361)	
5335-Bad Debt Expense	197,300		136,422	
5340-Miscellaneous Customer Accounts Expenses	-		-	
Community Relations				
5405-Supervision	-		-	
5410-Community Relations - Sundry	50,318		43,050	
5415-Energy Conservation	84,649		26,193	
5420-Community Safety Program	-		-	
Administrative and General				
5605-Executive Salaries and Expenses	801,072		852,120	
5610-Management Salaries and Expenses	-		-	
5615-General Administrative Salaries and Expenses	680,101		63,290	
5620-Office Supplies and Expenses	236,433		229,625	
5625-Administrative Expense Transferred Credit	(1,241,490)		(1,547,579)	
5630-Outside Services Employed	491,832		463,247	
5635-Property Insurance	47,551		49,442	
5640-Injuries and Damages	182,468		150,456	
5645-Employee Pensions and Benefits	1,406,217		1,296,992	
5655-Regulatory Expenses	360,509		375,711	
5660-General Advertising Expenses	-		-	
5665-Miscellaneous General Expenses	42,370		59,167	
5670-Rent	3,302		7,637	
5675-Maintenance of General Plant	625,938		645,887	
5680-Electrical Safety Authority Fees	26,579		26,654	
5695-OM&A Contra Account	-		(240,759)	
Total Administration	5,327,942	6,569,432	3,952,934	5,443,873
Total OM&A Expenses	9,994,397	11,235,887	8,913,036	10,460,615

Variance between Appendix 2-G and Yearbook of Electricity Distributors	(1,241,490)		(1,547,579)
Less: 5625-Administrative Expense Transferred Credit	(1,241,490)		(1,547,579)
Net Variance	-		-

19. Ref: Exhibit 4 / Tab 2 / Sch. 5 / Page 6-7 – Pandemic and Emergency Planning

Please provide an itemized cost breakdown of the Pandemic and Emergency Plan and the timeline of this plan.

RESPONSE:

Oakville Hydro's itemized cost breakdown of the pandemic and emergency plan along with the timeline of the plan is as follow:

Pandemic		**General Emergency Preparedness**	
Antiviral program (purchase/storage/distribution)	$15,000	External Consultant to review plan and make recommendations for improvements	$35,000
Misc supplies (sanitizers/extra cleaning supplies/masks)	$2,000	Flu Clinic	$2,000
Contractors – as needed during pandemic if line crew complement falls below safe levels	$15,000	IT support for emerg prep (remote for control room/etc)	$5,000
Enhancements to facility and vehicle cleaning	$21,000	Defibrillator purchases and training	$5,000
Total	$53,000	Total	$47,000
		Grand Total	$100,000

Oakville Hydro has begun implementing its emergency and pandemic plan and expects to be complete by the second quarter of 2010.

20. Ref: Exhibit 4 / Tab 2 / Sch. 5 / Page 11 – LEAP

In the above reference, Oakville Hydro stated that the amount of $30,000 is included in the 2010 Test Year for Low Income Energy Assistance Program. Please identify whether these amounts relate to existing or new program(s).

RESPONSE:

Oakville Hydro has not previously been involved in any specific Low Income Energy Assistance Program. This was documented in April 2009's OEB questionnaire for the "Consultation on Energy Issues Relating to Low Income Consumers".

Oakville Hydro does however intend to participate in the Winter Warmth program in this 2009/2010 winter season. This has been reported to the OEB.

The $30,000 included in this Application are costs Oakville Hydro intends on spending in order to meet the requirement and guidelines of the Ontario Energy Board. Oakville Hydro acknowledges that recently (letter Dated September 28, 2009) the OEB's initiatives are changing and the OEB is deferring further work on LEAP at this time based on the Ministry of Energy's intervention, however, Oakville Hydro will incur costs associated with development of the Ministry's integrated program.

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21. Ref: Exhibit 4 / Tab 2 / Sch. 5 / Page 15 - OM&A Cost per FTEE

Please provide an update of both Appendix 2-J tables by using the total FTEE instead of only FTEE under Management / Executive / Directors category.

RESPONSE:
Oakville Hydro has corrected appendix 2-J which referenced the FTEE under Management / Executive / Directors category in Appendix 2-L rather than the total number of FTEE excluding Directors.

Appendix 2-J

OM&A Cost per Customer and Full Time Equivalent Employee (FTEE)
Including Sentinel and Street Lighting Connections

	2006 Actual	2007 Actual	2008 Actual	2009 Bridge Year	2010 Test Year
Number of Customers/Connections	73,364	75,270	77,212	79,704	82,281
Total OMA	10,229,819	9,101,578	10,315,702	11,492,277	12,506,961
OMA cost per Customer	139.44	120.92	133.60	144.19	152.00
Number of FTEEs	98	98	98	106	113
FTEEs/Customer	0.00134	0.00130	0.00127	0.00133	0.00137
OMA cost per FTEE	104,386	92,873	105,262	108,418	110,681

Appendix 2-J

OM&A Cost per Customer and Full Time Equivalent Employee (FTEE)
Excluding Sentinel and Street Lighting Connections

	2006 Actual	2007 Actual	2008 Actual	2009 Bridge Year	2010 Test Year
Number of Customers/Connections	57,552	59,140	60,950	63,073	65,271
Total OMA	10,229,819	9,101,578	10,315,702	11,492,277	12,506,961
OMA cost per Customer	177.75	153.90	169.25	182.21	191.62
Number of FTEEs	98	98	98	106	113
FTEEs/Customer	0.00170	0.00166	0.00161	0.00168	0.00173
OMA cost per FTEE	104,386	92,873	105,262	108,418	110,681

22. Ref: Exhibit 4 / Tab 2 / Sch. 7 / Page 1 – Employee Compensation Breakdown

At the above reference, the applicant states that: "Oakville Hydro records stipend and meeting fees paid to the Board of Directors in OEB account 5605. The inclusion of these costs in this account along with the 2008 increase in the number of paid Board of Directors from 3 to 10 has resulted in a reduction in the average yearly compensation. Prior to 2008, the Oakville Hydro Board consisted of one independent director and two directors from the parent company Board. Oakville Hydro paid the independent director and was allocated a percentage of the costs of the two parent company directors."

a) Please confirm that Oakville Hydro has 10 Board of Directors in 2009 and 2010.

RESPONSE:

Oakville Hydro Electricity Distribution has 13 Board members in both 2009 and 2010. Of the 13 members, three are from The Corporation of the Town of Oakville and are unpaid positions.

b) Please provide the number of Board of Directors in 2008, 2009 and 2010 that are independent and the number of Board of Directors that are from the Board of the parent company.

RESPONSE:

Up until June of 2008, there were 3 Board members (1 independent and 2 from the parent Board). In July 2008, the Board was increased to 13 members (5 independent and 8 from the parent Board). The Board has remained at that number throughout 2009 and is expected to remain at that level throughout 2010.

23. Ref: Exhibit 4 / Tab 2 / Sch. 7 / Page 3 / Appendix 2-L – Wages and Benefits

a) Oakville Hydro indicates that three additional employees were added in the "Management / Executive/ Directors" category in 2009. Please confirm whether Human Resource Supervisor, Billing Supervisor, and Vice-President of Engineering represented these three additional employees. If not, please provide the correct details.

RESPONSE:

The additional employees in "Management/Executive/Directors" are as follows:

- Vice President of Engineering
- Distribution Engineer
- Billing Supervisor

b) Oakville Hydro indicates that two additional employees are to be added under "Union" category in 2010 (from 67 to 69). On Exhibit 4/ Tab 2/ Sch.2 / Page 9, under 2010 Cost Drivers, Oakville Hydro did not indicate an increase in Number of Union staff. Please provide the job title for these two additions. Please also confirm whether the cost increase of $50,736 includes these two staff positions.

RESPONSE:

Oakville Hydro had budgeted a Smart Meter Technologist apprentice but removed the position from the cost of service application late in the process. The one additional union employee added to 2010 is the Control room apprentice as identified on Exhibit 4, Tab 2, Schedule 2 page 9. Oakville Hydro has corrected Appendix 2-L.

APPENDIX 2-L
Employee Costs - Including Directors
Corrected in Response to Board Staff Interrogatory #23

	Last Rebasing Year	Historical Year (Bridge Year -1)	Historical Year (Bridge Year - 2)	Bridge Year	Test Year
	2006	2007	2008	2009	2010
Number of Employees (FTEs including Part-Time)					
Executive					
Management / Executive / Directors	20	21	30	33	35
Non-Union	13	13	11	16	18
Union	65	65	67	67	68
Total	98	99	108	116	121
Number of Part-Time Employees					
Executive					
Management / Executive / Directors	0	0	0	0	0
Non-Union	4	2	0	1	1
Union	1	0	1	0	0
Total	5	2	1	1	1
Total Salary and Wages					
Executive					
Management / Executive / Directors	2,235,693	2,493,632	2,588,092	2,955,848	3,241,690
Non-Union	588,657	745,132	749,998	985,412	1,110,846
Union	4,013,818	4,071,571	4,493,033	4,699,599	5,061,455
Total	6,838,169	7,310,335	7,831,122	8,640,859	9,413,991
Total Benefits					
Executive					
Management / Executive / Directors	430,435	466,927	555,471	636,093	685,826
Non-Union	129,504	163,929	164,999	216,791	244,386
Union	735,426	791,555	909,089	922,235	918,640
Total	1,295,365	1,422,412	1,629,559	1,775,119	1,848,852
Total Compensation (Salary, Wages, & Benefits)					
Executive	-	-	-	-	-
Management / Executive / Directors	2,666,128	2,960,560	3,143,562	3,591,941	3,927,516
Non-Union	718,161	909,061	914,997	1,202,203	1,355,232
Union	4,749,244	4,863,126	5,402,122	5,621,834	5,980,095
Total	8,133,534	8,732,746	9,460,682	10,415,978	11,262,843
Compensation - Average Yearly Base Wages					
Executive					
Management / Executive / Directors	111,458	113,500	99,236	88,235	89,660
Non-Union	44,316	53,407	57,780	68,287	65,276
Union	57,425	56,220	61,502	64,913	69,608
Total	213,199	223,127	218,517	221,435	220,704
Compensation - Average Yearly Overtime					
Executive					
Management / Executive / Directors	619	694	220	169	-
Non-Union	2,010	2,041	3,064	1,926	1,529
Union	5,784	6,419	6,567	5,231	5,377
Total	8,414	9,154	9,851	7,326	6,906
Compensation - Average Yearly Incentive Pay					
Executive					
Management / Executive / Directors	20,333	14,109	9,133	10,912	10,830
Non-Union	3,654	5,084	5,149	4,887	4,152
Union	-	-	-	-	-
Total	23,987	19,193	14,282	15,800	14,982
Compensation - Average Yearly Benefits					
Executive					
Management / Executive / Directors	23,913	25,239	23,637	21,562	21,432
Non-Union	10,360	12,610	13,750	16,059	14,376
Union	11,582	12,178	13,774	13,765	13,609
Total	45,855	50,027	51,161	51,386	49,417
Total Compensation	8,133,534	8,732,746	9,460,682	10,415,978	11,262,843
Total Compensation Charged to OM&A	6,672,754	6,800,804	7,518,456	8,645,791	9,659,101
Total Compensation Capitalized	1,460,780	1,931,942	1,942,226	1,770,187	1,603,742

APPENDIX 2-L
Employee Costs - Excluding Directors
Corrected in Response to Board Staff Interrogatory #23

	Last Rebasing Year	Historical Year (Bridge Year -2)	Historical Year (Bridge Year - 1)	Bridge Year	Test Year
	2006	2007	2008	2009	2010
Number of Employees (FTEs including Part-Time)					
Executive					
Management / Executive / Directors	20	20	20	23	25
Non-Union	13	13	11	16	18
Union	65	65	67	67	68
Total	98	98	98	106	111
Number of Part-Time Employees					
Executive					
Management / Executive / Directors	0	0	0	0	0
Non-Union	4	2	0	1	1
Union	1	0	1	0	0
Total	5	2	1	1	1
Total Salary and Wages					
Executive					
Management / Executive / Directors	2,235,693	2,493,632	2,588,092	2,955,848	3,241,690
Non-Union	588,657	745,132	749,998	985,412	1,110,846
Union	4,015,122	4,071,650	4,491,288	4,699,599	5,061,455
Total	6,839,472	7,310,414	7,829,377	8,640,859	9,413,991
Total Benefits					
Executive					
Management / Executive / Directors	430,435	466,927	555,471	636,093	685,826
Non-Union	129,504	163,929	164,999	216,791	244,386
Union	734,122	791,477	910,836	922,235	918,640
Total	1,294,061	1,422,333	1,631,306	1,775,119	1,848,852
Total Compensation (Salary, Wages, & Benefits)					
Executive	-	-	-	-	-
Management / Executive / Directors	2,666,128	2,960,560	3,143,562	3,591,941	3,927,516
Non-Union	718,161	909,061	914,997	1,202,203	1,355,232
Union	4,749,243	4,863,126	5,402,124	5,621,834	5,980,095
Total	8,133,533	8,732,747	9,460,683	10,415,978	11,262,843
Compensation - Average Yearly Base Wages					
Executive					
Management / Executive / Directors	111,458	116,200	126,088	126,679	124,765
Non-Union	44,316	53,407	57,780	68,287	63,070
Union	57,425	56,220	61,502	64,913	69,637
Total	213,199	225,827	245,370	259,879	257,472
Compensation - Average Yearly Overtime					
Executive					
Management / Executive / Directors	619	713	288	256	-
Non-Union	2,010	2,041	3,064	1,926	1,486
Union	5,784	6,419	6,567	5,231	5,337
Total	8,414	9,173	9,918	7,413	6,823
Compensation - Average Yearly Incentive Pay					
Executive					
Management / Executive / Directors	20,333	14,501	11,924	16,509	15,753
Non-Union	3,654	5,084	5,149	4,887	4,026
Union	-	-	-	-	-
Total	23,987	19,585	17,073	21,396	19,779
Compensation - Average Yearly Benefits					
Executive					
Management / Executive / Directors	23,913	25,940	30,859	36,620	31,174
Non-Union	10,360	12,610	13,750	16,059	14,711
Union	11,582	12,178	13,774	13,765	13,823
Total	45,855	50,728	58,383	66,443	59,708
Total Compensation	8,133,533	8,732,747	9,460,683	10,415,978	11,262,843
Total Compensation Charged to OM&A	6,672,753	6,800,805	7,518,457	8,645,791	9,659,101
Total Compensation Capitalized*	1,460,780	1,931,942	1,942,226	1,770,187	1,603,742

24. Ref: Exhibit 4 / Tab 2 / Sch. 8 / Page 5 – Total Cost of Services

a) In Table 5, Oakville Hydro indicates that the total costs for Executive Services for 2010 is $1,233,721 which represents a 59% increase as compared to 2008 actual ($776,214). Please explain the reason(s) for this increase.

RESPONSE:

In Table 5, the total cost for Executive Services, the entries in the spreadsheet for 2009 and 2010 are incorrect. The correct costs (see SEC #22e) for Executive Services in 2009 should be $852,390 and 2010 $759,856. The increase in 2009 reflects the inclusion of expenditures for the preparation of Oakville Hydro's emergency preparedness plan.

b) In Table 5, Oakville Hydro indicates that the total costs for Human Resource Services for 2010 is $748,168 which represent a 112% increase as compared to 2008 actual ($352,330). Please explain the reason(s) for this increase.

RESPONSE:

As stated Exhibit 4, Tab 2, Schedule 2, Page 7 of 11, there is a Human resource supervisor who was added to this department, as well as a Health and Safety Officer as stated in Exhibit 4, Tab 1, Schedule 1, Page 2 of 3. This incremental headcount results in an increase charge to our affiliates..

PILs
25. Ref: Exhibit 4 / Tab 3/ Sch. 1/ Page 3 – Tax Rates

Ontario Income Tax rate will change effective July 1, 2010 from 14% to 12%.This change in tax rate will change the combined tax rate from 32% to 30%. Please explain the rationale for using a 32% tax rate instead of the weighted average tax rate of 31%.

RESPONSE:

As stated in Exhibit 4, Tab 3, Schedule 1, page 3, Oakville has used the current substantively enacted tax rate of 32% as opposed to using proposed rates.

26. Ref: Exhibit 4 / Tab 3/ Sch. 3/ Appendix B/ page 27 – 2008 T2

Corporation Income Tax Return

Under Schedule 8, Capital Cost Allowance (CCA) table, it listed an item under class 95 with the description of "NAFU".

a) Please identify what NAFU represents and provide a detailed description.

RESPONSE:

NAFU represents "not available for use" and represents the total of Oakville Hydro's work-in-progress at year end.

b) Please explain why this class has 0% for its CCA rate.

RESPONSE:

The class is 0% as it is work in progress and therefore is not yet eligible for capital cost allowance.

c) Please explain why this class was not included in the 2009 Bridge Year Capital Cost Allowance listed under Exhibit 4 / Tab 3/ Sch. 2/ Page 2/Table 17.

RESPONSE:

As above, as work in progress is not eligible for capital cost allowance, it was not included in the 2009 Bridge Year Capital Cost Allowance listed under Exhibit 4 / Tab 3/Sch. 2/Page 2/Table 11.

Cost Allocation

27. Ref: Exhibit 7 / Tab 1/ Sch. 2 / Page 3 – 2006 Cost Allocation information filing

In Table 2, the Revenue to Cost Ratio for Unmetered Scattered Load is 137.75%. But the Revenue to Cost ratio for Unmetered Scattered Load filed under Exhibit 7/ Tab 1 / Sch. 2 / Page 6 indicated that the ratio is 135.75%. Please reconcile these two percentages.

RESPONSE:

Oakville Hydro has corrected the typographical error in Exhibit 7 / Tab 1/ Sch. 2 / Page 3 – 2006 Cost Allocation information filing. The correct revenue to cost ratio for Unmetered Scattered load is 135.75%.

Table 2
Revenue to Cost Ratios from Oakville Hydro's
Corrected Cost Allocation Information Filing – Load Corrections Only

Rate Classification	Revenue (A)	Allocated Cost (B)	Revenue to Cost Ratio (A)/(B)
Residential	$17,641,685	15,924,055	110.79%
GS <50 kW	4,069,369	3,439,415	118.32%
GS 50 to 999 kW	4,880,846	6,641,908	73.49%
GS 1,000 to 4,999 kW	1,508,989	1,082,847	139.35%
Large Use	806728	390,533	206.57%
Street Lighting	200,633	1,671,933	12.00%
Sentinel Lighting	2,341	26,383	8.87%
Unmetered Scattered Load	252,416	185,935	135.75%
Total	**$29,363,008**	**$29,363,008**	**100.00%**

28. Ref: Exhibit 7 / Tab 1/ Sch. 2 / Page 1 – 2006 Cost Allocation information filing

On page 1, line 8 – 13, it states: "Hydro One correctly shifted consumption from the Large Use class to the General Service Greater than 1,000 kW customer class but did not reduce consumption levels. Oakville Hydro has corrected the Model by reducing the total normalized kWh for the General Service Greater than 1,000 kW customer class from 414,270,457 to 201,579,847, the kWh from approved 2006 EDR model."

a) Please provide the data that Oakville Hydro had indicating the shifted consumption from the Large Use class to the General Service Greater than 1,000 kW customer class.

RESPONSE:

In its application dated November 30, 2004 (EB-2004-0527), Oakville Hydro proposed a rate adjustment to reflect the significant reduction in the consumption of one of its Large Use customers which required that Oakville Hydro reclassify the customer into the General Service Greater than 1,000 kW class. In its March 24, 2005 oral Decision, the Board approved Oakville Hydro's request and in its decision on Oakville Hydro's 2005 application for rate adjustments (EB-2005-0059) the Board accepted the adjustment as filed.

In its 2006 Electricity Distribution Rates (EDR) Application (EB-2005-0050), Oakville Hydro made adjustments to historical consumption levels to reflect the reduction in consumption and the reclassification of the Large Use customer to the General Service Greater than 1,000 kW class. Adjustments were made in the appropriate years to the kW, kWh, customer counts and transformer allowance to reflect these changes.

For its 2007 Cost Allocation Filing (EB-2007-0001), Oakville Hydro contracted the services of Hydro One to prepare load data profiles by rate classification. While the exact calculations performed by Hydro One cannot be ascertained it is evident from the Hydro One 30 Year Weather Normalized amounts, as shown in the Table below, that the consumption that was shifted from the Large User Class to the General Service 1,000 to 4,999 kW class to reflect this reclassification was too high.

The weather normalized kWh for the General Service 1,000 to 4,999 kW class provided by Hydro One were 414,750,457, more than double that of the 201,579,847 kWh from the approved EDR model. This would suggest that, while the consumption was shifted to the General Service Greater than 1,000 kW class, Hydro One did not reduce the 30 Year Weather Normalized amounts for the General Service Greater than 1,000 kW class to reflect the kWh approved in Oakville Hydro's 2006 EDR.

In addition, the weather normalized kWh for the Large User class provided by Hydro One were 78,709,242 much lower that the 247,040,085 kWh in the 2007 cost allocation model

providing further evidence that the Hydro One load adjustment shifted too many kWh from the Large User class to the General Service 1,000 to 4,999 kW class.

Load Comparison

Hydro One Weather Normalized vs 2007 Cost Allocation Filing

Rate Classification	kWh from approved EDR model, Sheet 7-1, Col M	kWh - 30 year weather normalized amount	% Variance
Residential	543,155,845	502,709,215	-7%
General Service Less than 50 kW	161,537,187	142,065,541	-12%
General Service 50 to 999 kW	493,973,193	562,012,200	14%
General Service 1,000 to 4,999 kW	201,579,847	414,750,457	106%
Large User*	247,040,085	78,709,242	-68%
Street Lighting	10,520,416	10,159,275	-3%
Sentinel Lighting	151,833	152,489	0%
Unmetered Scattered Load	4,481,048	4,066,543	-9%
Total	1,662,439,454	1,714,624,964	3%

*2006 EDR did not include kWh for Large User - 2007 Cost Allocation Filing Amount

b) Please explain on what basis Oakville Hydro reduced the General Service Greater than 1,000 kW customer class from 414,270,457 to 201,579,847 kWh.

RESPONSE:

As detailed in the response to part (a), Oakville Hydro reduced the General Service Greater than 1,000 kW class to equal the approved kWh of 201,579,847 in the Oakville Hydro's 2006 EDR.

29. Ref: Exhibit 7 / Tab 1/ Sch. 2 / Page 7 – 2006 Corrected Cost Allocation information filing

Please provide sheet I6 and I8 of the 2006 Corrected Cost Allocation Information filing to reflect the original filing but with the Load and Transformer Allowance corrections.

RESPONSE:

Sheet I6 and I8 of the 2006 corrected cost allocation information filing with the load and transformer corrections are provided below.

2006 Corrected Cost Allocation Information Filing
Oakville Hydro Inc.
Load and Transformer Allowance Corrections
In Response to OEB Board Staff Interrogatory 29
Sheet I6 Customer Data Worksheet - Second Run

Total kWhs	1,662,439,454
Total kWs	1,911,875
Total Approved Distribution Revenue ($)	$26,381,561

			1	2	3	5	6	7	8	9
	ID	**Total**	**Residential**	**General Service Less than 50 kW**	**General Service 50 to 999 kW**	**General Service 1,000 to 4,999 kW**	**Large User**	**Street Lighting**	**Sentinel Lighting**	**Unmetered Scattered Load**
Billing Data										
kWh from approved EDR model, Sheet 7-1, Col M	**CEN**	1,662,439,454	543,155,845	161,537,187	493,973,193	201,579,847	247,040,085	10,520,416	151,833	4,481,048
kW from approved EDR model, Sheet 7-1, Col S	**CDEM**	1,911,875	-	-	1,300,538	456,149	128,403	26,375	410	-
kW, included in CDEM, from customers with line transformer allowance from approved EDR model, Sheet 6-3, Col P		665,783			209,634	456,149				
Optional - kWh, included in CEN, from customers that receive a line transformation allowance on a kWh basis. In most cases this will not be applicable and will be left blank.		-								
KWh excluding KWh from Wholesale Market Participants	**CEN EWMP**	1,415,399,369	543,155,845	161,537,187	493,973,193	201,579,847		10,520,416	151,833	4,481,048
kWh - 30 year weather normalized amount		1,491,399,302	502,709,215	142,065,541	562,012,200	191,524,795	78,709,242	10,159,275	152,489	4,066,543
Approved Distribution Rev from approved EDR, Sheet 7-1, Col AK + Sheet 7-3 Col H	**CREV**	$26,381,561	$15,964,814	$3,675,502	$4,268,841	$1,409,864	$773,130	$104,218	$790	$184,403
Bad Debt 3 Year Historical Average from Approved EDR Model	**BDHA**	$205,934	$126,766	$28,059	$35,567	$15,541	$0	$0	$0	$0
Late Payment 3 Year Historical Average	**LPHA**	$180,030	$84,122	$38,653	$42,590	$14,665				
Weighting Factor - Services			1.0	2.0	10.0	10.0	30.0	1.0	1.0	1.0
Weighting Factor - Billings			1.0	2.0	7.0	7.0	15.0	1.0	0.1	5.0
Number of Bills	**CNB**	361,880	307,460	33,314	12,722	260	24	36	312	7,752
Number of Connections (Unmetered)	**CCON**	15,945						15,062	237	646
Total Number of Customer from Approved EDR, Sheet 7-1, Col H excluding connections	**CCA**	54,268	49,016	4,472	762	17	1			
Bulk Customer Base	**CCB**	-	-	-	-	-	-	-	-	-
Primary Customer Base	**CCP**	54,268	49,016	4,472	762	17	1			
Line Transformer Customer Base	**CCLT**	54,192	49,016	4,464	712	-	-			
Secondary Customer Base	**CCS**	53,536	49,007	4,464	65	-	-			
Weighted - Services	**CWCS**	74,530	49,007	8,928	650	-	-	15,062	237	646
Weighted Meter -Capital	**CWMC**	5,928,765	3,671,360	714,215	1,505,390	35,700	2,100	-	-	-
Weighted Meter Reading	**CWMR**	565,929	366,355	57,042	128,616	12,740	1,176	-	-	-
Weighted Bills	**CWNB**	504,149	307,460	66,628	89,054	1,820	360	36	31	38,760
Data Mismatch Analysis										
Revenue with 30 year weather normalized kWh		24,719,904	14,775,978	3,232,458	4,856,824	1,339,538	246,326	100,641	793	167,346

Weather Normalized Data from Hydro

	Total	**Residential**	**General Service Less than 50 kW**	**General Service 50 to 999 kW**	**General Service 1,000 to 4,999 kW**	**Large User**	**Street Lighting**	**Sentinel Lighting**	**Unmetered Scattered Load**
kWh - 30 year weather normalized amount	1,565,919,722	**529,101,449**	149,523,982	591,517,841	201,579,847	79,063,434	10,692,637	160,495	4,280,037
2006 EDR Distribution Loss Factor		**1.0525**	1.0525	1.0525	1.0525	1.0045	1.0525	1.0525	1.0525

2006 Corrected Cost Allocation Information Filing
Oakville Hydro Inc.
Load and Transformer Allowance Corrections
In Response to OEB Board Staff Interrogatory 29
Sheet I8 Demand Data Worksheet - Second Run

This is an input sheet for demand allocators.

CP TEST RESULTS	4 CP
NCP TEST RESULTS	4 NCP

Co-incident Peak	Indicator
1 CP	CP 1
4 CP	CP 4
12 CP	CP 12

Non-co-incident Peak	Indicator
1 NCP	NCP 1
4 NCP	NCP 4
12 NCP	NCP 12

Customer Classes		Total	1 Residential	2 General Service Less than 50 kW	3 General Service 50 to 999 kW	5 General Service 1,000 to 4,999 kW	6 Large User	7 Street Lighting	8 Sentinel Lighting	9 Unmetered Scattered Load
CO-INCIDENT PEAK										
1 CP										
Transformation CP	TCP1	305,391	133,889	32,835	102,395	27,613	8,170	-	-	489
Bulk Delivery CP	BCP1	305,391	133,889	32,835	102,395	27,613	8,170	-	-	489
Total Sytem CP	DCP1	305,391	133,889	32,835	102,395	27,613	8,170	-	-	489
4 CP										
Transformation CP	TCP4	1,099,321	434,421	118,284	395,607	110,906	38,117	-	-	1,986
Bulk Delivery CP	BCP4	1,099,321	434,421	118,284	395,607	110,906	38,117	-	-	1,986
Total Sytem CP	DCP4	1,099,321	434,421	118,284	395,607	110,906	38,117	-	-	1,986
12 CP										
Transformation CP	TCP12	2,957,431	1,136,820	300,998	1,077,348	310,446	108,374	17,361	234	5,850
Bulk Delivery CP	BCP12	2,957,431	1,136,820	300,998	1,077,348	310,446	108,374	17,361	234	5,850
Total Sytem CP	DCP12	2,957,431	1,136,820	300,998	1,077,348	310,446	108,374	17,361	234	5,850
NON CO_INCIDENT PEAK										
1 NCP										
Classification NCP from Load Data Provider	DNCP1	327,261	140,138	34,299	108,960	30,033	10,681	2,581	53	516
Primary NCP	PNCP1	327,261	140,138	34,299	108,960	30,033	10,681	2,581	53	516
Line Transformer NCP	LTNCP1	279,336	140,138	34,237	101,811	-	-	2,581	53	516
Secondary NCP	SNCP1	186,794	140,112	34,237	9,295	-	-	2,581	53	516
4 NCP										
Classification NCP from Load Data Provider	DNCP4	1,197,986	483,934	131,217	417,092	110,906	42,378	10,242	193	2,023
Primary NCP	PNCP4	1,197,986	483,934	131,217	417,092	110,906	42,378	10,242	193	2,023
Line Transformer NCP	LTNCP4	1,017,099	483,934	130,982	389,724	-	-	10,242	193	2,023
Secondary NCP	SNCP4	662,865	483,845	130,982	35,579	-	-	10,242	193	2,023
12 NCP										
Classification NCP from Load Data Provider	DNCP12	3,206,933	1,248,816	329,643	1,157,719	310,446	124,147	29,845	466	5,850
Primary NCP	PNCP12	3,206,933	1,248,816	329,643	1,157,719	310,446	124,147	29,845	466	5,850
Line Transformer NCP	LTNCP12	2,686,936	1,248,816	329,552	1,072,407	-	-	29,845	466	5,850
Secondary NCP	SNCP12	1,665,285	1,248,579	329,552	50,993	-	-	29,845	466	5,850

30. Ref: Exhibit 7 / Tab 1/ Sch. 3 / Appendix A / Page 2-3 – 2010 Cost Allocation Information Filing - Sheet I4 Break out worksheet

a) Please confirm whether Oakville Hydro has changed any Break out (%) in Sheet I4 or not.

RESPONSE:

Oakville Hydro reviewed the Break out (%) in Sheet I4 and can confirm that it did not change the breakout percentages.

b) If the answer to (a) is affirmative, please provide the details of the changes and explanations.

RESPONSE:

N/A.

31. Ref: Exhibit 7 / Tab 1/ Sch. 3 / Appendix A / Page 4 – 2010 Cost Allocation Information Filing - Sheet O1 Revenue to Cost summary Worksheet

Please explain what methodology Oakville Hydro used to calculate the Distribution Revenue and Miscellaneous Revenue for each class.

RESPONSE:

Oakville Hydro calculated distribution revenue based on the percentages derived from the forecasted 2010 volume at existing 2009 rates. These percentages were then applied to the base revenue requirement for the 2010 Test Year. See Table 1 and 2 below for details.

Oakville Hydro calculated miscellaneous revenue for each class based upon the methodology incorporated into the cost allocation model. The details of the allocators for Miscellaneous Income (MI) accounts are provided in Table 3 below.

CWNB – Customer Weighted Number of Bills
NFA – Net Fixed Assets
LPHA – Late Payment 3 Year Historical Average

Table 1 – Board Staff Question 31

Forecast Class Billing Determinants for 2010 Test Year Based on Existing Class Revenue Proportions
Revenue At Existing Rates

Class	Annual kWh	Annual kW For Dx	Annualized Customers	Annualized Connections	Fixed Distribution Revenue	Variable Distribution Revenue	Dist. Rev. Including Transformer	Transformer Allowance	Dist. Rev. Excluding Transformer	Dist Rev At Existing Rates %
Residential	545,392,460		703,399		9,650,631	8,180,887	17,831,518		17,831,518	62.55%
GS < 50 kW	179,011,079		61,306		1,844,686	2,345,045	4,189,732		4,189,732	14.70%
GS 50 to 999 kW	595,468,621	1,655,087	9,997		1,986,453	3,205,077	5,191,529	113,555	5,077,975	17.81%
GS > 1000 kW	112,278,338	265,326	204		644,616	457,926	1,102,541	0	1,102,541	3.87%
Large Use	0	0	0		0	0	0	0	0	0.00%
Sentinel Lights	140,163	389		2,720	109	262	371		371	0.00%
Street Lighting	12,463,256	33,349		201,399	62,434	63,266	125,700		125,700	0.44%
USL	3,780,548			8,349	125,657	52,928	178,584		178,584	0.63%
	1,448,534,465	**1,954,151**	**774,905**	**212,468**	**14,314,585**	**14,305,391**	**28,619,976**	**113,555**	**28,506,421**	**100%**

Table 2 – Board Staff Question 31

Rate Classification	Distribution Revenue @ Existing Rate %	2010 Base Revenue Requirement
Residential	62.55%	$20,668,344
GS < 50 kW	14.70%	$4,856,278
GS 50 to 999 kW	17.81%	$5,885,832
GS > 1000 kW	3.87%	$1,277,945
Sentinel Lights	0.001%	$430
Street Lighting	0.44%	$145,698
USL	0.63%	$206,995
TOTAL	**100.00%**	**$33,041,523**

Table 3 – Board Staff Question 31

2010 Test Year Cost Allocation Information Filing
Oakville Hydro Inc.
EB-2009-0271 EB-2009-0271
August 28, 2009
Ontario

Sheet E4 Trial Balance Allocation Detail Worksheet - Second Run

Details:
The worksheet below details how costs are treated, categorized, and grouped.

This sheet shows what accounts are included in the COSS, and how they are grouped into working capital and rate base. It shows how accounts are categorized in the customer and demand related costs. It will then show how the categorized costs are allocated to customer and demand related components. It will also show how Miscellaneous Revenue and General Plant and Administration costs are allocated. FInally, it will show how costs are being grouped together for presentation purposes.

Uniform System of Accounts - Detail Accounts:					Classification and Allocation			Allocation Demand Related	Allocation Customer Related	Allocation A&G Related	Allocation Misc Related
USoA Account #	Accounts	Explanations	Grouping for Sheet O1 Revenue to Cost	Demand Grouping Indicator	Demand	Customer	Joint	Demand ID	Customer ID	A & G ID	Misc ID
4082	Retail Services Revenues	Other Distribution Revenue	mi								CWNB
4084	Service Transaction Requests (STR) Revenues	Other Distribution Revenue	mi								CWNB
4090	Electric Services Incidental to Energy Sales	Other Distribution Revenue	mi								CWNB
4205	Interdepartmental Rents	Other Distribution Revenue	mi								NFA
4210	Rent from Electric Property	Other Distribution Revenue	mi								NFA
4215	Other Utility Operating Income	Other Distribution Revenue	mi								NFA
4220	Other Electric Revenues	Other Distribution Revenue	mi								NFA
4225	Late Payment Charges	Late Payment Charges	mi								LPHA
4235	Miscellaneous Service Revenues	Specific Service Charges	mi								CWNB
4240	Provision for Rate Refunds	Other Distribution Revenue	mi								NFA
4245	Government Assistance Directly Credited to Income	Other Distribution Revenue	mi								NFA
4305	Regulatory Debits	Other Income & Deductions	mi								NFA
4310	Regulatory Credits	Other Income & Deductions	mi								NFA
4315	Revenues from Electric Plant Leased to Others	Other Income & Deductions	mi								NFA
4320	Expenses of Electric Plant Leased to Others	Other Income & Deductions	mi								NFA
4325	Revenues from Merchandise, Jobbing, Etc.	Other Income & Deductions	mi								NFA
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	Other Income & Deductions	mi								NFA
4335	Profits and Losses from Financial Instrument Hedges	Other Income & Deductions	mi								NFA
4340	Profits and Losses from Financial Instrument Investments	Other Income & Deductions	mi								NFA
4345	Gains from Disposition of Future Use Utility Plant	Other Income & Deductions	mi								NFA
4350	Losses from Disposition of Future Use Utility Plant	Other Income & Deductions	mi								NFA
4355	Gain on Disposition of Utility and Other Property	Other Income & Deductions	mi								NFA
4360	Loss on Disposition of Utility and Other Property	Other Income & Deductions	mi								NFA
4365	Gains from Disposition of Allowances for Emission	Other Income & Deductions	mi								NFA
4370	Losses from Disposition of Allowances for Emission	Other Income & Deductions	mi								NFA
4390	Miscellaneous Non-Operating Income	Other Income & Deductions	mi								NFA
4395	Rate-Payer Benefit Including Interest	Other Income & Deductions	mi								NFA
4398	Foreign Exchange Gains and Losses, Including Amortization	Other Income & Deductions	mi								NFA
4405	Interest and Dividend Income	Other Income & Deductions	mi								NFA
4415	Equity in Earnings of Subsidiary Companies	Other Income & Deductions	mi								NFA

Rate Design

32. Ref: Exhibit 8 / Tab 1/ Sch. 2/ Page 8 – Monthly Fixed Charges (MFC)

Please explain why the proposed monthly 2010 Fixed Charges for General Service Less than 50 kW, General Service 50 to 999 kW, and General Service Greater than 1,000 kW classes exceed the ceiling as set out in the cost allocation information filing and also exceed their own 2009 IRM approved MFC.

RESPONSE:

Consistent with many 2008 and 2009 rate applications, Oakville Hydro is proposing to maintain the fixed variable split which results in the MFC increasing as the revenue requirement increase. As per the Board's cost allocation report (EB-2007-0667):

"The Board considers it to be inappropriate to make significant changes to the ceiling for the MSC at this time, given the number of issues that remain to be examined. The appropriateness of the methodologies cited above, used to set the MSC is an issue that will be examined within the scope of the Rate Review. The Rate Review will also examine the role of rate design in achieving various objectives, including conservation of energy. Both of these undertakings will have determinative impacts on the fixed/variable ratio policy."

Based on this statement it is appropriate to maintain the fixed/variable split until the Rate Review process is concluded.

33. Ref: Exhibit 8 / Tab 2/ Sch. 6/ Page 1 – Schedule of Proposed Rates & Charges (2010)

Please explain why the proposed Wholesale Market Service Rate for all the classes has been changed to $0.0065/kWh as compared to $0.0052/kWh listed in the existing rate schedule.

RESPONSE:

Oakville Hydro states that the Wholesale Market Service Rate of $0.0065/kWh is an error; the Rural Rate Protection Charge of $0.0013/kWh was added inadvertently to the Wholesale Market Service Rate. The correct Wholesale Market Service Rate is $0.0052/kWh, and the Rural Rate Protection Charge is $0.0013/kWh.

Loss Factors

34. Ref: Exhibit 1, Tab 1, Schedule 12, Page 1 /
Exhibit 8, Tab 1, Schedule 6, Page 1 – 5 /
Exhibit 8, Tab 1, Schedule 6, Appendix 2Q, Page 1

a) Please confirm whether Oakville Hydro is partially embedded within the Hydro One distribution system

RESPONSE:

Oakville Hydro is partially embedded within the Hydro One distribution system (please see Oakville Hydro's statement in Exhibit 1, Tab 1, Schedule 12, Page 1, and Exhibit 8, Tab 1, Schedule 6, Page 1)

b) If the answer to part (a) is affirmative, please re-calculate the weighted average SFLF by factoring in a SFLF of 1.0340 (3.4% losses) to account for supply losses in the component of Oakville Hydro's distribution system that is embedded within Hydro One's distribution system, i.e. the component of Oakville Hydro's distribution system that is not connected to Palermo TS, Trafalgar TS, Bronte TS and Oakville TS.

RESPONSE:

Oakville Hydro is partially embedded within Hydro One's distribution system at Trafalgar TS. Hydro One owns 5 feeders at Trafalgar TS and charges Oakville Hydro for Transmission (kW only: network and transformation connection), and shared low voltage services. No kWhs are charged by Hydro One. Oakville Hydro is a market participant with IESO at all four transformation stations: Trafalgar, Bronte, Palermo, and Oakville. The IESO adjusts Oakville Hydro's wholesale consumption by a weighted average SLFL as shown in Exhibit 8, Tab 1, Schedule 6 – Table 20.

Therefore, the Board Staff requested calculation of the SLFL is not applicable in Oakville Hydro's case because the SLFL has already been factored in by IESO.

For clarity, Oakville Hydro attached a sample of Hydro One's invoice – Appendix OEB 34.

c) Given that Oakville Hydro has used a weighted average SFLF of 1.0047 in the calculations for the years 2002 to 2008 shown in the table in the 3rd reference, please explain the reason why the A1/A2 calculation for the year 2008 yields 1.0046 rather than 1.0047. (for all other years A1/A2 yields 1.0047).

RESPONSE:

A1/A2 calculation for the year 2008 yields 1.0046 because A1 does not include the losses (calculated here at 269,712 kWh) that the IESO bills to the embedded market participant (former Large Use customer - Customer A).

Based on 18-month historical data, the weighted average SFLF that IESO bills Oakville Hydro is 1.0047. As explained in Exhibit 8, Tab 1, Schedule 6, Page 2, Line 3 to 7, this was the best information Oakville Hydro could obtain from the IESO MV-WEB.

In addition, the IESO bills the former Large Use customer (embedded market participant), adjusting its consumption for SFLF. Oakville Hydro does not have the information on the adjustment that the IESO applies to the embedded customer's consumption. Therefore the Wholesale kWh delivered to distributor (Appendix 2-Q, A1) includes the embedded customer's consumption without losses (metered kWh), as Oakville Hydro reported in its RRR 2.1.5 submissions. The Wholesale kWh delivered to distributor data for all historical years (2002 to 2008) is consistent with the data reported in the Board's Comparison of Distributor Costs report EB-2006-0268 issued on December 4, 2008.

Oakville Hydro used an SFLF of 1.0047 for 2008 year to reflect the best information on the Supply Facility Losses.

For clarity, Oakville Hydro presents below the Large Use customer losses calculation and the calculated SFLF if Oakville Hydro would have included the customer's losses. Please note that the information on "Total wholesale with losses" was captured from the IESO MV-WEB and it was available for 18-month historical data (January 2008 to June 2009).

Total wholesale with losses	1,634,255,190.90
Wholesale kWh delivered to distributor (A1)	1,633,985,479.00
Difference	269,711.90
Portion of "Wholesale" kWh delivered to distributor for Large Use Customer(B)	60,236,726.86
Losses applied by IESO to Large Use customer	0.0045

Total wholesale with losses	1,634,255,190.90
"Wholesale" kWh delivered to distributor (lower value)	1,626,503,277.50
SFLF	1.00477

In any event, if the Board were to change the 2008 SFLF to 1.0046, the average SFLF and the Total Loss Factor will not change.

d) Please provide an explanation or rationale for proposing an average DLF of 1.0347 (years 2002 to 2008) as provided in the 3rd reference rather than a lower factor such as the actual DLF for 2004 of 1.0290.

RESPONSE:

Oakville Hydro had two significant consumers in 2004 (customer C2, and A). Customer C2 reduced drastically its consumption starting January 2005 (please see details in Exhibit 3, Tab 2, Schedule 1, Page 14 to 15). Customer A shut down its production in December 2008.

Both Customer A and Customer C2 are connected to 27.6 kV and the losses are significantly lower as the consumption is higher at higher voltage. Once the consumption declines, the loss factor deteriorates.

As shown in Exhibit 8, Tab 1, Schedule 6, Appendix 2-Q, the 2004 retail kWh delivered by distributor is the highest historical amount. To consider only the historical year with the best performance on distribution losses when calculate the distribution loss factor for a forward year is not technically realistic, especially now when electricity consumption declines on two grounds: economic recession and conservation measures.

In addition to the two general considerations in loss factor analysis, Oakville Hydro lost Customer A's load in December 2008, and it will lose Customer E's load starting August 2010.

Distribution Revenue Loss Recovery

35. Ref: Exhibit 8 / Tab 2 / Sch. 1 – Loss Revenue

In the above reference, Oakville Hydro states: "Due to economic recession, Oakville Hydro has been facing a loss of customers and load. Oakville Hydro analyzed and calculated the distribution revenue loss. The results show a distribution revenue loss in the amount of $1,313,544."

Table 3

Customer	The Loss of revenue started	Revenue Loss in 2008	Revenue Loss in 2009	Revenue Loss in 2010
A	December 2008	$45,796	$646,421	$247,208
B	July 2008	$40,517	$93,739	$31,108
C	February 2008	$35,515	$48,203	$16,060
D	April 2008	$39,222	$52,312	$17,440
Annual Total		$161,050	$840,675	$311,816

a) To review Oakville Hydro's distribution revenue loss, using the information provided in Exhibit 8 / Tab 2 / Sch. 1, Board staff prepared the above Table 3. Please confirm that Oakville Hydro agrees with the figures presented in Table 3. If Oakville Hydro does not agree with any figures in the table, please explain why not and provide amended tables with explanations of all changes.

RESPONSE:

In preparing the responses to this interrogatory, Oakville Hydro has recalculated the revenue loss by correcting Customer D's distribution rates from GS 1000 to 4999 kW rates to GS 50 to 999 kW rates. The results are:

Oakville Hydro's Table 3

Customer	The Loss of revenue started	Revenue Loss in 2008	Revenue Loss in 2009	Revenue Loss in 2010
A	Dec-08	$45,796	$646,420	$247,208
B	Jul-08	$40,519	$93,743	$31,110
C	Feb-08	$35,515	$48,201	$16,060
D	Apr-08	$13,903	$18,547	$6,184
Annual Total		$135,733	$806,910	$300,562
Total Revenue Loss	$1,243,205			

Oakville Hydro presents below the corrected calculation of Customer D’s revenue loss:

Customer D- Distribution Revenue Loss: from April 2008 to April 2010
GS 50 to 999 kW

Distribution Rates			
Ending April 30, 2009		Starting May 1, 2009	
Service Charge	Distribution Volumetric Rate	Service Charge	Distribution Volumetric Rate
$198.89	$1.9356	$199.44	$1.9365

Note: Service Charge excludes Smart Meters adder

July 2008 to April 2010 Demand		July 2008 to April 2010 distribution revenue				Forecasted Distribution revenue based on 5 year demand average						
	kW		Service Charge	Distribution Volumetric Charge	Total		Service Charge	Distribution Volumetric Rate	Total	Monthly Loss		Total Year
Apr-08	0	Apr-08	$0	$0	$0	Apr-08	199	1,346	$1,545	$1,545	Apr-08	
May-08	0	May-08	$0	$0	$0	May-08	199	1,346	$1,545	$1,545	May-08	
Jun-08	0	Jun-08	$0	$0	$0	Jun-08	199	1,346	$1,545	$1,545	Jun-08	
Jul-08	0	Jul-08	$0	$0	$0	Jul-08	199	1,346	$1,545	$1,545	Jul-08	
Aug-08	0	Aug-08	$0	$0	$0	Aug-08	199	1,346	$1,545	$1,545	Aug-08	
Sep-08	0	Sep-08	$0	$0	$0	Sep-08	199	1,346	$1,545	$1,545	Sep-08	
Oct-08	0	Oct-08	$0	$0	$0	Oct-08	199	1,346	$1,545	$1,545	Oct-08	
Nov-08	0	Nov-08	$0	$0	$0	Nov-08	199	1,346	$1,545	$1,545	Nov-08	
Dec-08	0	Dec-08	$0	$0	$0	Dec-08	199	1,346	$1,545	$1,545	Dec-08	$13,903
Jan-09	0	Jan-09	$0	$0	$0	Jan-09	199	1,346	$1,545	$1,545	Jan-09	
Feb-09	0	Feb-09	$0	$0	$0	Feb-09	199	1,346	$1,545	$1,545	Feb-09	
Mar-09	0	Mar-09	$0	$0	$0	Mar-09	199	1,346	$1,545	$1,545	Mar-09	
Apr-09	0	Apr-09	$0	$0	$0	Apr-09	199	1,346	$1,545	$1,545	Apr-09	
May-09	0	May-09	$0	$0	$0	May-09	$199	1,347	$1,546	$1,546	May-09	
Jun-09	0	Jun-09	$0	$0	$0	Jun-09	$199	1,347	$1,546	$1,546	Jun-09	
Jul-09	0	Jul-09	$0	$0	$0	Jul-09	$199	1,347	$1,546	$1,546	Jul-09	
Aug-09	0	Aug-09	$0	$0	$0	Aug-09	$199	1,347	$1,546	$1,546	Aug-09	
Sep-09	0	Sep-09	$0	$0	$0	Sep-09	$199	1,347	$1,546	$1,546	Sep-09	
Oct-09	0	Oct-09	$0	$0	$0	Oct-09	$199	1,347	$1,546	$1,546	Oct-09	
Nov-09	0	Nov-09	$0	$0	$0	Nov-09	$199	1,347	$1,546	$1,546	Nov-09	
Dec-09	0	Dec-09	$0	$0	$0	Dec-09	$199	1,347	$1,546	$1,546	Dec-09	$18,547
Jan-10	0	Jan-10	$0	$0	$0	Jan-10	$199	1,347	$1,546	$1,546	Jan-10	
Feb-10	0	Feb-10	$0	$0	$0	Feb-10	$199	1,347	$1,546	$1,546	Feb-10	
Mar-10	0	Mar-10	$0	$0	$0	Mar-10	$199	1,347	$1,546	$1,546	Mar-10	
Apr-10	0	Apr-10	$0	$0	$0	Apr-10	$199	1,347	$1,546	$1,546	Apr-10	$6,184
Total	**0**	Total Year	**0**	**0**	**0**	Total	**4,979**	**33,655**	**38,634**			

Loss of Distribution Revenue	
$38,634	**100.00%**

b) Please advise whether Oakville Hydro had notified the Board regarding the loss of customers or load prior to the filing of this application.

RESPONSE:

Oakville Hydro did not notified the Board regarding the loss of customers and load prior to filling of this application.

In its Supplemental report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors issued on September 17, 2008, the Board stated:
"Distributors are expected to report events to the Board promptly and apply to the Board for any amounts claimed under Z-factor treatment with the next rate application."

Therefore, Oakville Hydro's first opportunity to report and apply to the Board for relief in regard to the recovery of unforeseen and significant loss of distribution revenue due to the loss of these customers' load is this rate application.

c) If the answer to (c) is affirmative, please provide copy of the notification(s).

RESPONSE:
N/A

36. Ref: Exhibit 8 / Tab 2 / Sch. 1 – Customer A
On page 5, Table 24 listed a column titled "December 2008 to April 2010 Demand".
a) Please confirm whether the demands for the period from December 2008 to June 2009 are actual or forecast.

RESPONSE:

Customer A's demands for the period from December 2008 to June 2009 are actual.

b) Please explain on what basis Oakville Hydro forecasted 456 kW for each month for the period from July 2009 to April 2010.

RESPONSE:

The forecasted 456 kW for each month for the period July 2009 to April 2010 is the average monthly demand calculated from December 2008 to June 2009.

c) Please provide the actual monthly consumption for customer A in kW from July 2009 to September 2009.

RESPONSE:

Customer A
Actual Monthly Demand

[kW]

Month	Demand
Jul-09	414
Aug-09	513
Sep-09	345
3-month average	424

37. Ref: Exhibit 8 / Tab 2 / Sch. 1 – Customer B

On page 8, Table 28 listed a column titled "July 2008 to April 2010 Demand".

a) Please confirm whether the demands for the period from July 2008 to February 2009 are actual or forecast.

RESPONSE:

Oakville Hydro confirms that the demands for the period July 2008 to February 2009 are actual.

b) Please explain on what basis Oakville Hydro forecasted 397 kW for each month for the period from March 2009 to April 2010.

RESPONSE:

The forecasted 397 kW for each month for the period from March 2009 to April 2010 is the average monthly demand calculated from July 2008 to February 2009.

c) Please provide the actual monthly consumption for customer B in kW from March 2009 to September 2009.

RESPONSE:

Customer B - actual demand [kW]

Mar-09	487.72
Apr-09	353.31
May-09	193.21
Jun-09	224.40
Jul-09	211.75
Aug-09	122.54
Sep-09	119.30

38. Ref: Exhibit 8 / Tab 2 / Sch. 1 – Customer C

On page 11, Table 30 listed a column titled "July 2008 to April 2010 Demand".
a) Please confirm whether the demands for the period from February 2008 to June 2009 are actual or forecast.

RESPONSE:

Presently, customer C's location is vacant and locked. The account was transferred in the landlord's name on May 2009. Oakville Hydro does not have access to read the meter, and the bills have been produced based on estimated consumption.

The demands for the period from February 2008 to April 2009 are estimated billed demands (no meter readings were available). The demands for the period from May 2009 to June 2009 are forecast.

b) Please explain on what basis Oakville Hydro forecasted 105 kW for each month for the period from July 2009 to April 2010.

RESPONSE:

Oakville Hydro forecasted 105 kW for each month for the period May 2009 to April 2010 based on the average monthly demand calculated from July 2008 to April 2009.

c) Please provide the actual monthly consumption for customer C in kW up to September 2009.

RESPONSE:

As previously answered, the actual monthly consumption for Customer C is not available (the meter is inaccessible).

Deferral and Variance Accounts
39. Ref: Exhibit 9 / Tab 1 / Sch. 1 / Page 1 – Manager's Summary

In the above reference, Oakville Hydro states: "The total amount of the variance requested for disposition, including the interest, is $(5,718,842). Oakville Hydro proposes a 4-year recovery period with an annual recovery amount of $(1,429,710). However in Exhibit 9 / Tab 2/ Sch. 2 / Page 1 / Table 9, the total disposition balance is $(7,386,841) and the annual amount is $(1,846,710). Please clarify what amount Oakville Hydro is requesting for disposition.

RESPONSE:

The amounts of $ 5,718,842 and of $ 1,429,710 are incorrect (typographical error). The correct total amount of the variance requested for disposition, including the interest, is $7,386,841. Oakville Hydro proposes a 4-year recovery period with an annual recovery amount of $(1,846,710) as shown in Exhibit 9/Tab 2/Sch.2/Page1/Table 9.

40. Ref: Exhibit 9 / Tab 1 / Sch. 6 / Page 5 – Accounts 1588

On October 15, 2009, the Board's Regulatory Audit & Accounting group issued a bulletin related to Regulatory Accounting & Reporting of Account 1588 RSVAPower and Account 1588 RSVAPower Sub-account Global Adjustment. Please confirm whether or not Oakville Hydro plans on making any changes to its filing with respect to Account 1588.

RESPONSE:

At this time, Oakville Hydro does not believe that there will be any changes that will result from this bulletin. Oakville Hydro has always reported on an accrual basis of accounting; the global adjustment attributable to non-RPP consumers is separately accounted for in Account 1588 RSVA Power Sub-account Global Adjustment and only the non-RPP portion of IESO Charge type 146 is reflected in the variance of 1588 Power-subaccount Global Adjustment.
Therefore, Oakville Hydro allocated the balance of 1588 Power – subaccount Global Adjustment requested for disposition to non-RPP customer classes (please see Exhibit 9, Tab 2, Schedule 1, Page 4, Table 5).

41. Ref: Exhibit 9 / Tab 2 / Sch. 1 / Page 7 – Accounts requested for Disposition

Oakville Hydro has requested disposition of account 1590. The balance as of December 31, 2008 is:

Principal: $(1,752,927)
Interest: $ 1,551,378

a) Please explain why the principal is a credit number, and the interest is a debit number, and why is there such a large variation.

RESPONSE:

The reason there is such as large credit and offsetting debit in these two accounts is that when all the 2004 ending balances were transferred from their variance accounts, the principal amount was transferred to 1590-Principal and all the corresponding interest was transferred to 1590-Interest. Subsequently, as Oakville Hydro collected the deferral accounts rate rider from its customers (which included both principal and interest) all the amounts received were incorrectly booked to the 1590- Principal account. The balance therefore must be viewed in the aggregate of 1590 Principal and 1590 Interest, which is implying that Oakville Hydro is required to return $(201,549)

b) Please provide the monthly breakdown to show the balance in both principal and interest from 2006 to 2008.

RESPONSE:

	Year 2006			Year 2007		Year 2008	
	Principal	Interest		Principal	Interest	Principal	Interest
Beginning	($3,071,927.32)	($189,407.81)		$1,367,828.54	$1,635,355.31	($793,272.45)	$1,608,747.61
January	($3,194,006.51)	($207,327.39)		$1,199,681.28	$1,640,587.25	($984,082.47)	$1,605,349.76
February	($3,317,731.07)	($225,959.09)		$1,027,959.85	$1,645,176.03	($1,152,677.61)	$1,601,134.61
March	($3,452,696.58)	($245,312.52)		$833,659.74	$1,649,107.98	($1,347,365.05)	$1,596,197.31
April	($3,565,696.16)	($265,432.13)		$676,012.47	$1,652,296.73	($1,530,396.93)	$1,591,616.27
May	($3,690,004.23)	($286,210.91)		$496,792.45	$1,654,882.48	($1,676,281.65)	$1,586,412.92
June	($3,816,394.67)	($307,714.82)		$343,038.03	$1,656,782.72	($1,743,216.11)	$1,580,713.56
July	($3,951,003.23)	($329,962.08)		$155,452.54	$1,658,094.84	($1,753,115.42)	$1,575,847.08
August	($3,941,357.27)	($352,994.55)		($55,931.81)	$1,658,689.45	($1,753,067.04)	$1,570,952.97
September	($4,156,042.84)	($376,696.65)		($262,403.59)	$1,658,475.52	($1,753,050.34)	$1,566,058.99
October	($4,344,520.11)	($401,651.08)		($457,154.94)	$1,613,486.00	($1,752,988.28)	$1,561,165.06
November	($4,605,230.21)	($369,118.57)		($649,082.97)	$1,611,527.85	($1,752,977.90)	$1,556,271.30
December	$1,367,828.54	$1,635,355.31	Note 1	($793,272.45)	$1,608,747.61	($1,752,926.79)	$1,551,377.57

Note 1: In December 2006, all the ending 2004 Deferral account balances that were applied for in the 2006 EDR were closed out of their respective deferral accounts and transferred to accont 1590

Smart Meters

42. Ref: Exhibit 9 / Tab 3 / Sch. 1 – Smart Meter Implementation Plan

On page 3, Oakville Hydro states: "Oakville Hydro anticipates beginning installation of smart meters in September 2009. The target for installation during 2009 is 58,551 (actual on June 30, 2009) meters for residential and small commercial customers. Oakville Hydro states that the number of customers varies and it will be different by the time the implementation of smart meters is completed."

a) Please clarify whether the number of 58,551 is based on the actual number of meters for residential and small commercial customers as of June 30, 2009.

RESPONSE:

The number of 58,551 meters represents the actual net number of residential and small commercial meters (net of smart meters already installed) as of June 30, 2009.

As explained in Exhibit 9, Tab 3, Schedule 1, Appendix 2-S – Note 3, in support of its conservation agenda, Oakville Hydro has been converting Condominium units in its service territory from bulk to unit metering. These meters (1,940 meters), and the meters installed within the Individual Metering and TOU Pricing Pilot (373 meters), have the added capability of being AMI compliant and will not need to be changed to meet the smart metering targets; these meters were not considered in the Smart Meters budget calculation.

The actual number of metered customers as of June 30, 2009 was:
Residential: 56, 009
Small commercial (GS< 540 kW): 4,855

Subtracting the smart meters already installed:
Residential: 373 + 1,940 = 2,313

Smart Meters remained to be installed:
Residential: 53, 696
Small commercial: 4, 855

Total Smart Meters to be installed = 58,551

On July 10, 2009, as part of the OEB's New Reporting Requirements Related to Smart Meter Deployment and the Application of Time-of-Use Pricing, Oakville Hydro submitted its Baseline Reports – Part I and II – Appendix A, and B (the Report).

The number of actual meters and planned smart meters to be installed mentioned in the Report is consistent with Oakville Hydro's Cost of Service application - Exhibit 9, Tab 3, Schedule 1.

b) Please clarify whether Oakville Hydro plans to install all 58,551 smart meters in 2009.

RESPONSE:

As detailed in Exhibit 9, Tab 3, Schedule 1, Appendix D, Oakville Hydro plans to install 15,292 smart meters in 2009 and 43, 259 in 2010 (please see the summary in the following table).
The installation plan for the smart meters is detailed in Exhibit 9, Tab 3, Schedule 1, Appendix C and Appendix D.
Oakville Hydro's target for installation during 2009 bridge year and 2010 test year is 58,551 smart meters for residential and commercial customers. (this is a correction to Exhibit 9, Tab 3, Schedule 1, Page 3, Line 14 to 16)

	Year		
	2009	**2010**	**Total**
Residential	13,980	39,716	53,696
Commercial (GS< 50 kW)	1,312	3,543	4,855
Total	**15,292**	**43,259**	**58,551**

LRAM & SSM

43. Ref: Exhibit 10, Tab 1, Schedule 5, Page 1

Oakville Hydro is seeking approval for recovery of $669,349 related to the Lost Revenue Adjustment Mechanism ("LRAM") and $141,170 related to the Shared Savings Mechanism ("SSM") for Conservation and Demand Management ("CDM") programs it undertook between 2005 - 2008.

Please provide a complete list of the input assumptions used for all prescriptive measures within Oakville Hydro's total LRAM and SSM claim.

a) When supplying the list of input assumptions, include the source of the input assumption and the rationale for their use.

RESPONSE:

Please refer to Appendix OEB 43.

b) Please confirm that Oakville Hydro has used the best available input assumptions at the time of the third party assessment when calculating its LRAM amount.

RESPONSE:

Please refer to Appendix OEB 43.
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OAKVILLE 150 1857-2007

GENERAL DISCUSSION

Administrative Services
MAY 08 2007
Committee Meeting
ITEM # 4

REPORT

Administrative Services Committee

MEETING DATE: MAY 8, 2007

FROM: Planning Services Department **PD-33-07**

DATE: April 10, 2007

SUBJECT: **Best Planning Estimates of Population, Occupied Dwelling Units and Employment for the Period of 2007-2021**

LOCATION: Town Wide
WARD: All

RECOMMENDATION:

1. That the April 2007 Best Planning Estimates of Population, Occupied Dwelling Units and Employment for the Period 2007-2021, as prepared by the Region of Halton, attached as Appendix A to Planning Services Department Report PD-33-07, be endorsed;

2. That staff be directed to utilize the April 2007 Best Planning Estimates as the basis for population, dwelling units and employment information in the various municipal projects and studies; and

3. That the April 2007 Best Planning Estimates be considered during the Town of Oakville Official Plan review.

EXECUTIVE SUMMARY:

The Region of Halton adopted the last update of the Best Planning Estimates in 2003. The Best Planning Estimates document is intended to provide a basis for population, dwelling unit and employment information for various studies and projects. Planning Services staff have been working closely with the Region to produce an update to the 2003 document which reflects the new 2006 Census numbers and takes into consideration changing development trends and new provincial growth policies. This report is intended to provide an overview of the April 2007 Best Planning Estimates of Population, Occupied Dwelling Units and Employment for the Period 2007-2021.

Town of Oakville
P.O. Box 310, 1225 Trafalgar Road
Oakville, Ontario L6J 5A6
Tel. 905-845-6601
www.oakville.ca

BACKGROUND:

Since 1997, the Region of Halton has, in collaboration with the local municipalities, prepared a series of documents entitled "Best Planning Estimates" which provides population, dwelling unit, and employment forecasts for the Region and local municipalities. The Best Planning Estimate document provides a consistent database of growth projections that are relied upon for various municipal and private sector planning studies. The last update was done in 2003 and reflects 2001 Census numbers and also took into consideration the changing demographic and development trends, building statistics, absorption rates, and policy shifts.

COMMENT/OPTIONS:

Process in updating the Best Planning Estimates

Over the last several months a working group of Regional and local municipal staff have been working on an update of the 2003 Best Planning Estimates. In conducting the review, the working group had regard for a number of important factors including:

- The release of the final Places to Grow Plan by the Province of Ontario in June 2006, with population and employment targets, for Halton Region to the year 2031. The intensification anticipated by the Places to Grow Plan is not expected to occur prior to 2021 and has not been reflected, in a substantial way, in the 2007 Best Planning Estimates.

- The recent release in March 2007 of the 2006 Census counts on population and occupied households. The 2006 Census information, as outlined below, was used as a starting point for Oakville's forecasts:

2006 Census	
Population in 2006	165,613
Population in 2001	144,738
2001 to 2006 Population change - %	14.4%
Dwelling units	56,528

- The various development trends and development opportunities for each municipality, and the Region as a whole. For instance, development trends such as the lower than expected densities occurring in the West Oak Trails and Glen Abbey Communities and the declining number of persons per dwelling unit.

- The supply of vacant residential lands based on the estimated amount of developable lands remaining in Oakville until the year 2021.

April 2007 Best Planning Estimates

The 2007 Best Planning Estimates projects growth to the year 2021. Oakville's population for the year 2021 is projected as being 229,500. It is not expected that Oakville will achieve its projected population capacity of approximately 240,000 people by the year 2021. The Oakville projections show a steady growth over the next few years as the communities south of Dundas Street continue to build out. When the lands north of Dundas Street come on stream sometime around 2009-2010, the growth rate increases to reflect the fact that a new community is beginning to develop. As North Oakville is expected to take some time to develop a strong growth rate is reflected until the year of 2021. It is anticipated that most of the low and medium density development in North Oakville will be built out by the year 2021. A summary of the forecasts, in five year intervals, is depicted in the chart below.

2007 Best Planning Estimates						
Year	Population	Dwelling units				
		Low	Medium	High	Total	Unit increase
2001	144,900	34,656	6,320	8,380	49,625	
2006	165,600	39,563	7,961	9,004	56,528	6,903
2011	183,600	44,063	9,836	10,129	64,028	7,500
2016	204,800	47,663	12,836	13,529	74,028	10,000
2021	229,500	50,783	16,476	17,169	84,428	10,400

The forecasts have taken into consideration the "Growth Plan" population target for the Region of Halton until the year 2021. A large portion of the Region's population allocated under the Growth Plan is expected to be absorbed by the Town of Milton simply because it is the municipality with the largest areas designated for Greenfield development. In fact, Oakville's 2021 population forecast is modestly lower than that projected in the 2003 Best Planning Estimate document. This is due largely to the lower than expected densities in the Glen Abbey and West Oak Trails Communities.

The residential intensification anticipated in the "Growth Plan" is not readily reflected in the Best Planning Estimates as it is expected to occur in the Region between the years 2021 and 2031. These policies calling for more intensification are being assessed as part of several Town initiated studies. Forecasts will only be adjusted and included in a future update of the Best Planning Estimates when clear direction

is provided by the various studies currently, or soon to be, underway such as the Durable Halton Plan and the Town of Oakville's Residential and Employment Intensification Study.

The 2007 Best Planning Estimates reflect a Regional 2021employment target of 340,000 jobs with Oakville maintaining 130,000 of these jobs. At 2021 an employment to population ratio of 56% is projected for Oakville. This is due primarily to the availability of additional employment lands in North Oakville and the build out of existing designated employment lands south of Dundas Street.

CONSIDERATIONS:

(A) PUBLIC

There has been no public input.

(B) FINANCIAL

There are no financial implications at this time.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

The Best Planning Estimates will provide Town of Oakville departments with the planning information needed for various projects and studies.

(D) CORPORATE AND/OR DEPARTMENT STRATEGIC PRIORITIES

The updated Best Planning Estimates will address the Corporate Strategic Priority to provide service delivery excellence and infrastructure management through principled land use planning.

CONCLUSION:

The April 2007 Best Planning Estimates have been updated in conjunction with the local municipalities as a joint Halton Planning Partnership project. Forecasts of Regional population, dwelling units and employment are important input into infrastructure planning and planning studies. Planning staff concur with the Region that the forecasts as presented in the report closely reflect current trends and policies and can be accommodated within Oakville's urban envelope. The 2021 population forecast is actually lower than that projected in the 2003 Best Planning Estimates document due primarily to lower than expected densities in a few of Oakville's Planning Communities. Planning staff are satisfied with the forecasts as presented in the April 2007 report entitled "Best Planning Estimates of Population,

Occupied Dwelling units and Employment for the Period 2007-2021". Staff recommend Council endorsement of the document. Staff are also recommending that the forecasts contained within the report be utilized as a basis for various municipal projects and studies including the Official Plan review.

Submitted by:

Ramona Boddington, MCIP, RPP
Planner, Long Range Planning

Authorized by:

Peter Cheatley, MCIP, RPP
Director of Planning Services

APPENDICES:

Appendix A –Best Planning Estimates of Population, Occupied Dwelling Units and Employment for the period 2007-2021

T/P&DCommission/staff reports/2007staff reports/PD-33-07-Best Planning Estimates

Appendix A –Best Planning Estimates of Population, Occupied Dwelling Units and Employment for the period 2007-2021

RESEARCH PAPER

Best Planning Estimates of Population, Occupied Dwelling Units and Employment, 2007-2021

April 2007

Regional Municipality of Halton

Print Version Date: April 10, 2007

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CONTENTS

1 Introduction

This Research Paper on the Best Planning Estimates of population, occupied dwelling units and employment for the period 2007-2021 is produced by the Planning & Transportation Services Division of Halton Region Planning and Public Works Department in consultation with the staff of the Local Municipalities in Halton. It represents an update to the last version, published in June 2003, using the latest available information sources including the recently published statistics from the 2006 Census.

2 Intended Use

The Best Planning Estimates are meant to be used where working numbers of future population, occupied dwelling units or employment within Halton are needed for planning purposes. The intent of producing these Estimates is to provide a consistent set of land use data and forecasts to be commonly used by both public and private agencies or individuals interested in such data for business or personal purposes.

These estimates are called Best Planning Estimates because they were prepared on a best effort basis by Regional and Local Municipal staff based on their collective knowledge and understanding of demographic and economic trends in Halton. By definition, they are estimates, not policy numbers committed to by Regional or Local Municipal Councils. The application of these estimates by any user in an undertaking, private or public, should be at the discretion of the user, guided by the nature, purpose and scope of that particular undertaking. If clarification or assistance is needed in interpreting these estimates, please contact the Long Range Planning Section at the Region as listed under Section

7. ***The Region, however, does not warrant, nor is it responsible for, the use or misuse of these Best Planning Estimates by any party or for any undertaking.***

Attempts have been made to achieve as high a degree of consistency as possible between Official Plan or policy numbers and the Best Planning Estimates. As the purpose of the Best Planning Estimates is to reflect the latest trends and information sources, they will be updated from time to time and should not be construed as replacing Official Plan or policy numbers. The official status of the Best Planning Estimates and how they are to be used in municipal projects and undertakings are determined through resolutions of Regional or Local Council.

These Best Planning Estimates are based on, and are compatible with, Census statistics (not adjusted for under-counting), but they are not necessarily comparable to population forecasts using Provincial Assessment data, because there is a difference in definition of "population" between these two major data sources.

3 Notes on This Update

Since the publication of the June 2003 estimates, the following events have caused the need for an update:

- New population and dwelling unit counts from the 2006 Census have been released in March 2007.
- As part of preparing evidence for the Ontario Municipal Board Hearing on Regional Official Plan Amendment No. 25, the Region and Local Municipalities have initiated additional research on the supply of lands and hence housing units and employment areas within the current Urban Area

envelopes. This provided improved information on the ability of each Local Municipality in accommodating future population and employment growth.

- The Region has embarked on an update of its Development Charges By-law to be completed in 2007 to ensure that infrastructure—water supply, wastewater treatment and transportation—facilities needed to support growth within the current Urban Area envelopes can be adequately funded. For this purpose, up-to-date Best Planning estimates of population and employment up to the planning horizon of 2021 (when the current Official Plan urban envelopes are expected to be fully developed) are needed as input to updating both the Transportation and Servicing Master Plans and their corresponding list of capital projects.

- Last but not the least of all, the Province of Ontario released its final Places to Grow Plan in June 2006, in which population and employment growth targets in five-year intervals between 2006 and 2031 for Halton Region are specified.

It should, however, be pointed out that, besides establishing growth targets, the Provincial Growth Plan also sets forth a policy framework on how growth should take place within the Greater Golden Horseshoe Region, including intensification of land uses within the current Urban Area envelopes and the protection of employment lands. While this series of Best Planning Estimates reflects the Growth Plan population and employment targets to the year 2021 and growth within the current Official Plan urban envelopes, it has not fully explored the implications of meeting the policy framework of the Growth Plan, nor does it address growth between 2021 and 2031. Those tasks will be the subject of the next series of the Best Planning Estimates, as discussed in Section 7 below.

4 Assumptions and Methodology

As chronicled in Research Paper 9901 published in January 1999, one key input to preparing the Best Planning Estimates is how the number of persons per unit by housing type would change over time. As information on such trends from the 2006 Census is not yet available until the Fall of 2007, this update of the Estimates is still based on person per unit statistics from the 2001 Census.

Other assumptions and the methodology on which this series of Best Planning Estimates is based are similar to those in the last series in June 2003.

5 Definitions

To ensure that the Best Planning Estimates are used and interpreted properly, the following definitions are adopted:

- Population data and forecasts are consistent with the official Census figures as reported by Statistics Canada, *not* adjusted for undercounting. It should be noted that the un-adjusted counts, sometimes referred to as "Census population" (versus "total population" referring to the adjusted counts), remain as the official population counts and are never updated to include the under-count.

- Population, occupied dwelling units and employment estimates for each year are as of May 1 of that year, coincidental with the Census Day, i.e. roughly mid-year.

- Low density housing means single detached and semi-detached housing

units.

- Medium density housing means townhouses and duplexes.
- High density housing means apartment units.
- Employment estimates are jobs located within Halton (not employed labour force residing in Halton) and include jobs with no fixed locations such as construction sites and mobile servicing units.

6 Best Planning Estimates

The Best Planning Estimates are presented in Tables 1-13, for Halton and for each Area Municipality. The following observations can be made:

- Halton as a whole will reach a population of 628,900 by the year 2021, with annual increases fluctuating between 12,000 and 14,000.
- Oakville and Milton remain to be the two growing communities in Halton, together absorbing between 8,000 and 10,000 new population annually between now and 2021. On the other hand, Burlington and Halton Hills continue to mature with declining annual increases in population over the forecasting period.
- Forecasts of occupied dwelling units follow a pattern similar to that for population, although the rate of increase is slightly higher than population. Between 2006 and 2021, population will grow by 43 per cent while occupied units by 47 per cent. This is due to the continuing decline in the persons per unit factor over time (from 2.77 persons to 2.70 for the Region as a whole).
- The density mix of new housing for Halton as a whole will move gradually from the current (2006) 68-25-7 (low-medium-high) to one with a much higher

proportion of high density housing of 52-26-22 by 2021. The latter is approaching the 2001 Regional Municipal Housing Statement targets of 55-25-20.

- Employment is forecast to grow by 47 per cent between 2006 and 2021, bringing the employment-to-population ratio from 52.5 to 54.1 jobs per 100 residents overall for the Region.

- Among the municipalities, all with the exception of Milton will see their employment-to-population ratios increasing over the next 15 years. Milton, because of its substantial growth in residential population, will see a drop of this ratio from 63 to 48 jobs per 100 residents. In time and beyond 2021, as Milton matures, this ratio will rise again to the level of at least one job for every two residents.

- Compared with the previous series of Best Planning Estimates published in June 2003, this new series has some substantial differences mostly as a result of the mandated growth targets in the Provincial Growth Plan. These differences are summarized in the table below. Milton, because of its unique position of being the only municipality with an ample supply of designated urban lands, will absorb the lion's share of the changes.

		Halton	*Burlington*	*Oakville*	*Milton*	*Halton Hills*
2021 Population	*June 2003 BPE*	592,300	184,500	231,800	106,000	70,000
	April 2007 BPE	628,900	182,000	229,500	147,400	70,000
	Difference	*+36,600*	*-2,500*	*-2,300*	*+41,400*	*+0*
	% Change	*+6%*	*-1%*	*-1%*	*+39%*	*+0%*
2021 Dwelling Units	*June 2003 BPE*	215,848	74,000	82,979	34,264	24,606
	April 2007 BPE	230,917	73,559	84,378	48,198	24,782
	Difference	*+15,069*	*-441*	*+1,399*	*+13,934*	*+176*
	% Change	*+7%*	*-1%*	*+2%*	*+41%*	*+1%*
2021 Employment	*June 2003 BPE*	307,710	106,610	118,330	53,360	29,410
	April 2007 BPE	340,000	108,000	130,000	71,000	31,000
	Difference	*+32,290*	*+1,390*	*+11,670*	*+17,640*	*+1,590*
	% Change	*+10%*	*+1%*	*+10%*	*+33%*	*+5%*

7 Future Updates

These Best Planning Estimates only forecast population and employment growth to the year 2021, the current planning horizon in the Region's and Local Municipalities' Official Plans, and within the current Official Plan Urban Area envelopes. In early 2006, Regional Council endorsed a multi-year work plan to look at the implications of the Provincial Growth Plan, which mandates a longer planning horizon of 2031. It is most likely that, in order to accommodate the growth to this new horizon, additional Urban Areas will need to be introduced. This multi-year work plan is scheduled for completion in mid-2009, at which time Regional Council is expected to adopt a new Official Plan or a major Official Plan Amendment reflecting the new planning horizon as well as a new urban structure for Halton Region. By that time, additional information on the number of person per units by housing type from the 2006 Census would also be available. That would be the time for the next update of the Best Planning Estimates.

If any user of these Estimates is aware of other sources of forecasts or relevant information, the Long Range Planning Section will appreciate being apprised of these sources to assist in future reviews and updates of the Estimates.

Any update of the Best Planning Estimates will be published in a future Research Paper presented for endorsement by Regional Council. For enquiries on the estimates themselves and related matters, please contact:

Long Range Planning Section

Planning & Transportation Services Division

Planning & Public Works Department

Regional Municipality of Halton

1151 Bronte Road

Oakville, Ontario L6M 3L1

905-825-6000 Toll Free: 1-866-4HALTON

Fax: 905-825-8822

E-mail: accesshalton@halton.ca

or visit the Region's website at:

"www.halton.ca".

TABLE 1 POPULATION

Year	Halton	Burlington	Oakville	Milton	Halton Hills
1996	340,000	136,800	128,600	32,300	42,300
1997	346,000	139,700	131,100	32,000	43,200
1998	352,600	142,500	134,000	31,800	44,300
1999	359,700	145,300	137,300	31,600	45,500
2000	367,400	148,200	141,000	31,400	46,800
2001	375,300	151,000	144,900	31,300	48,100
2002	386,900	153,500	149,200	34,600	49,600
2003	399,300	156,200	153,400	38,600	51,100
2004	412,100	158,900	157,500	43,200	52,500
2005	425,500	161,600	161,600	48,400	53,900
2006	439,200	164,400	165,600	53,900	55,300
2007	453,700	167,400	169,800	59,800	56,700
2008	467,200	170,100	173,600	65,800	57,700
2009	480,000	172,400	177,200	71,700	58,700
2010	492,100	174,300	180,500	77,400	59,900
2011	503,600	175,800	183,700	82,700	61,400
2012	516,600	177,100	187,500	88,900	63,100
2013	529,500	178,200	191,400	95,300	64,600
2014	541,700	178,900	195,500	101,600	65,700
2015	553,700	179,300	200,000	107,900	66,500
2016	565,100	179,300	204,700	114,000	67,100
2017	576,900	179,500	209,300	120,500	67,600
2018	589,300	179,900	214,000	127,200	68,200
2019	601,800	180,300	218,900	133,900	68,700
2020	615,000	181,000	224,100	140,600	69,300
2021	628,900	182,000	229,500	147,400	70,000

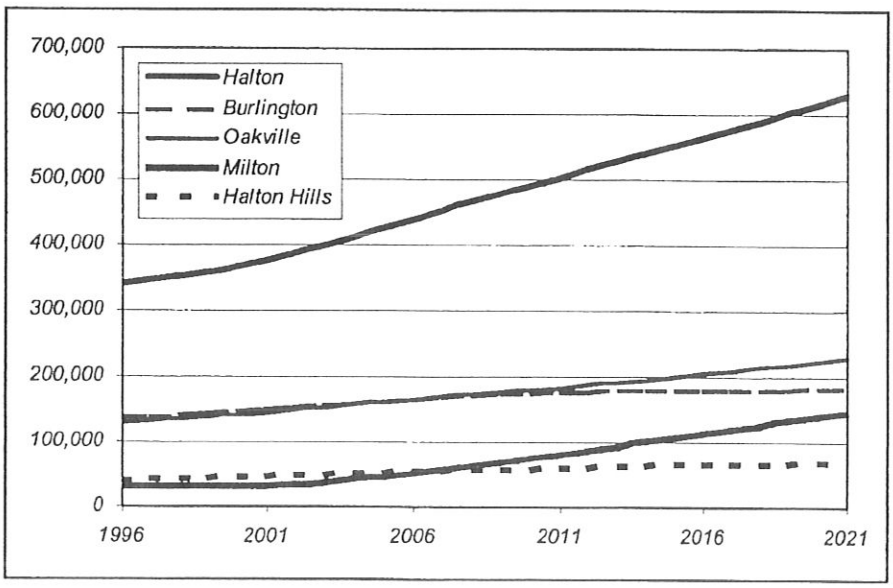


TABLE 2 ANNUAL POPULATION CHANGES

Year	Halton	Burlington	Oakville	Milton	Halton Hills
1997	+6,000	+2,900	+2,500	-300	+900
1998	+6,600	+2,800	+2,900	-200	+1,100
1999	+7,100	+2,800	+3,300	-200	+1,200
2000	+7,700	+2,900	+3,700	-200	+1,300
2001	+7,900	+2,800	+3,900	-100	+1,300
2002	+11,600	+2,500	+4,300	+3,300	+1,500
2003	+12,400	+2,700	+4,200	+4,000	+1,500
2004	+12,800	+2,700	+4,100	+4,600	+1,400
2005	+13,400	+2,700	+4,100	+5,200	+1,400
2006	+13,700	+2,800	+4,000	+5,500	+1,400
2007	+14,500	+3,000	+4,200	+5,900	+1,400
2008	+13,500	+2,700	+3,800	+6,000	+1,000
2009	+12,800	+2,300	+3,600	+5,900	+1,000
2010	+12,100	+1,900	+3,300	+5,700	+1,200
2011	+11,500	+1,500	+3,200	+5,300	+1,500
2012	+13,000	+1,300	+3,800	+6,200	+1,700
2013	+12,900	+1,100	+3,900	+6,400	+1,500
2014	+12,200	+700	+4,100	+6,300	+1,100
2015	+12,000	+400	+4,500	+6,300	+800
2016	+11,400	+0	+4,700	+6,100	+600
2017	+11,800	+200	+4,600	+6,500	+500
2018	+12,400	+400	+4,700	+6,700	+600
2019	+12,500	+400	+4,900	+6,700	+500
2020	+13,200	+700	+5,200	+6,700	+600
2021	+13,900	+1,000	+5,400	+6,800	+700

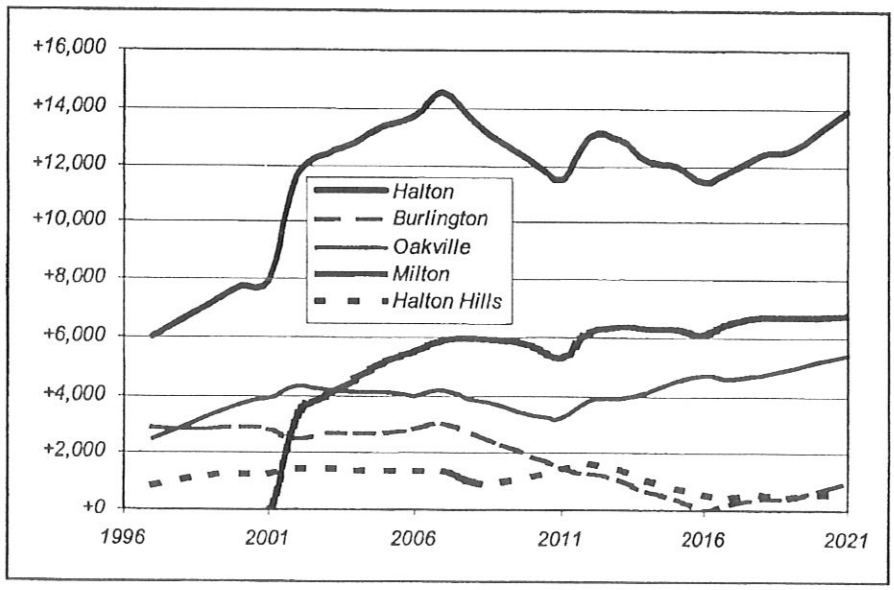


TABLE 3 OCCUPIED DWELLING UNITS

Year	Halton	Burlington	Oakville	Milton	Halton Hills
1996	117,945	50,225	42,990	10,455	14,275
1997	120,995	51,775	44,112	10,492	14,617
1998	124,093	53,254	45,309	10,529	15,001
1999	127,225	54,668	46,573	10,566	15,418
2000	130,377	56,021	47,895	10,603	15,857
2001	133,535	57,320	49,265	10,640	16,310
2002	137,995	58,527	50,779	11,832	16,857
2003	142,586	59,720	52,248	13,240	17,378
2004	147,288	60,893	53,685	14,834	17,876
2005	152,081	62,041	55,107	16,580	18,353
2006	156,947	63,159	56,528	18,448	18,812
2007	161,884	64,273	57,953	20,446	19,212
2008	166,722	65,329	59,398	22,453	19,542
2009	171,478	66,328	60,868	24,410	19,872
2010	176,222	67,271	62,398	26,261	20,292
2011	180,987	68,159	64,028	27,948	20,852
2012	186,206	68,959	65,819	29,936	21,492
2013	191,435	69,689	67,704	31,930	22,112
2014	196,601	70,344	69,695	33,920	22,642
2015	201,706	70,918	71,800	35,896	23,092
2016	206,777	71,409	74,028	37,848	23,492
2017	211,781	71,896	76,173	39,880	23,832
2018	216,715	72,346	78,307	41,930	24,132
2019	221,572	72,769	80,402	43,999	24,402
2020	226,315	73,170	82,435	46,088	24,622
2021	230,917	73,559	84,378	48,198	24,782

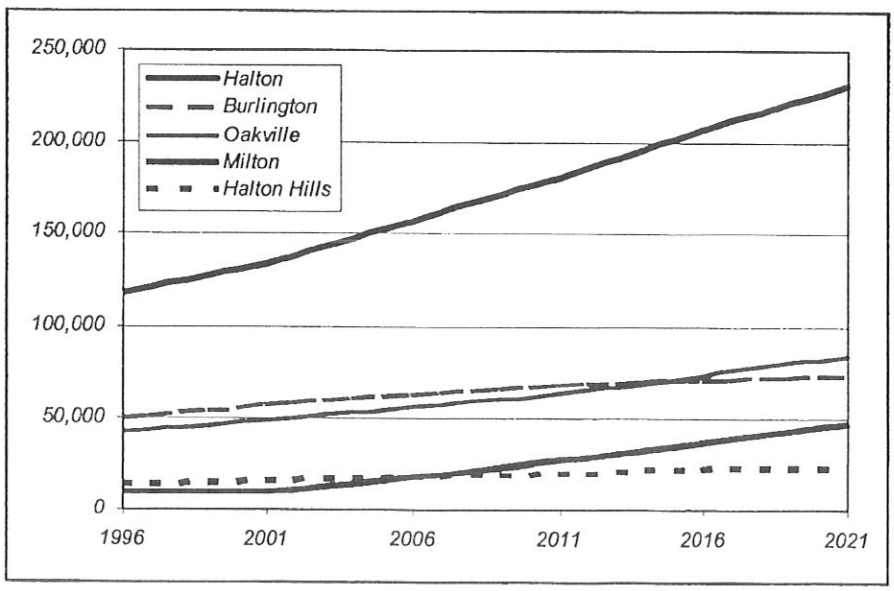


TABLE 4 ANNUAL DWELLING UNIT CHANGES

Year	Halton	Burlington	Oakville	Milton	Halton Hills
1997	+3,050	+1,550	+1,122	+37	+342
1998	+3,098	+1,479	+1,197	+37	+384
1999	+3,132	+1,414	+1,264	+37	+417
2000	+3,152	+1,354	+1,322	+37	+440
2001	+3,158	+1,299	+1,370	+37	+453
2002	+4,460	+1,207	+1,514	+1,192	+547
2003	+4,591	+1,193	+1,468	+1,408	+521
2004	+4,702	+1,173	+1,438	+1,593	+498
2005	+4,794	+1,148	+1,422	+1,746	+477
2006	+4,866	+1,118	+1,421	+1,868	+459
2007	+4,937	+1,114	+1,425	+1,998	+400
2008	+4,837	+1,056	+1,445	+2,006	+330
2009	+4,756	+999	+1,470	+1,957	+330
2010	+4,744	+943	+1,530	+1,851	+420
2011	+4,765	+888	+1,630	+1,687	+560
2012	+5,219	+800	+1,791	+1,988	+640
2013	+5,230	+730	+1,886	+1,994	+620
2014	+5,165	+655	+1,990	+1,990	+530
2015	+5,106	+575	+2,105	+1,976	+450
2016	+5,071	+491	+2,228	+1,952	+400
2017	+5,004	+487	+2,145	+2,032	+340
2018	+4,934	+451	+2,133	+2,050	+300
2019	+4,857	+422	+2,096	+2,069	+270
2020	+4,743	+402	+2,032	+2,089	+220
2021	+4,602	+389	+1,943	+2,110	+160

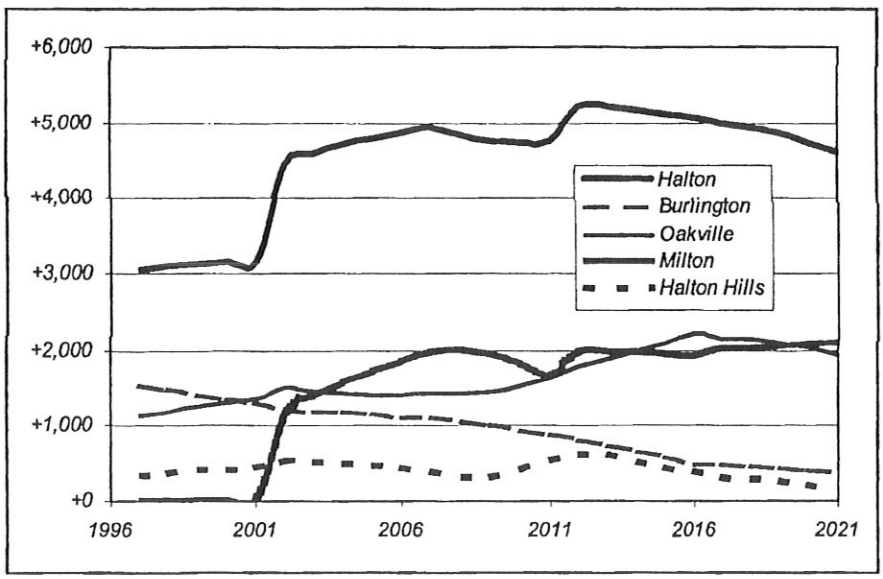


TABLE 5 OVERALL PERSONS PER DWELLING UNIT

Year	Halton	Burlington	Oakville	Milton	Halton Hills
1996	2.854	2.705	2.969	3.007	2.915
1997	2.830	2.679	2.950	2.957	2.914
1998	2.813	2.658	2.937	2.918	2.913
1999	2.799	2.641	2.928	2.890	2.911
2000	2.790	2.628	2.923	2.870	2.908
2001	2.783	2.617	2.921	2.858	2.906
2002	2.778	2.606	2.919	2.850	2.898
2003	2.774	2.597	2.918	2.847	2.894
2004	2.772	2.591	2.916	2.850	2.893
2005	2.771	2.587	2.913	2.856	2.894
2006	2.772	2.584	2.909	2.865	2.896
2007	2.775	2.586	2.908	2.876	2.906
2008	2.776	2.584	2.901	2.887	2.910
2009	2.773	2.579	2.889	2.899	2.911
2010	2.766	2.571	2.871	2.909	2.907
2011	2.756	2.560	2.848	2.916	2.900
2012	2.748	2.549	2.828	2.929	2.888
2013	2.738	2.536	2.807	2.942	2.874
2014	2.729	2.523	2.786	2.955	2.857
2015	2.718	2.507	2.765	2.966	2.836
2016	2.707	2.490	2.745	2.977	2.811
2017	2.698	2.476	2.726	2.988	2.793
2018	2.692	2.464	2.711	3.000	2.779
2019	2.689	2.456	2.701	3.010	2.770
2020	2.691	2.451	2.697	3.019	2.769
2021	2.697	2.452	2.700	3.027	2.777

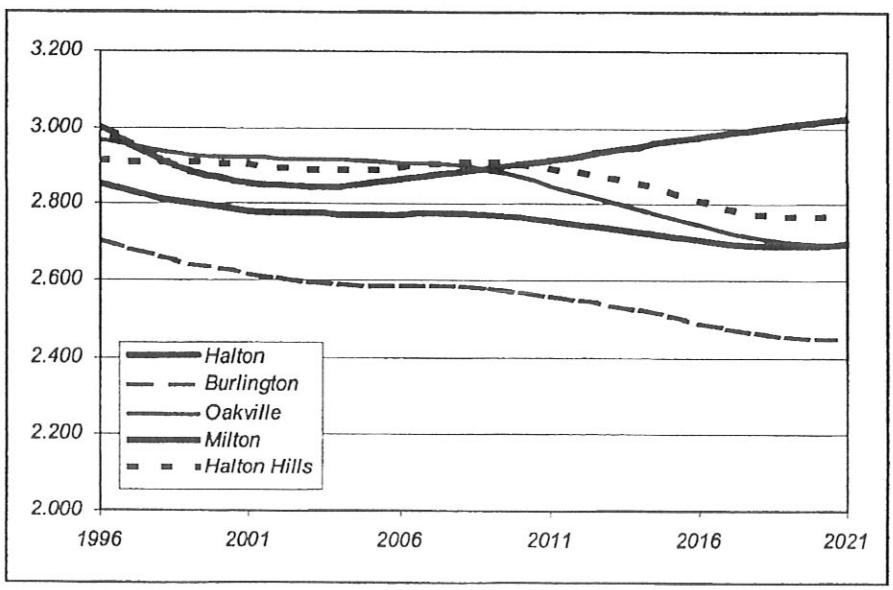


TABLE 6 NUMBER OF NEW DWELLING UNITS BY DENSITY TYPE--HALTON

Year	All Densities	Low	Medium	High
1997	3,050	2,193	434	424
1998	3,098	2,199	525	374
1999	3,132	2,192	602	337
2000	3,152	2,173	667	312
2001	3,158	2,142	718	298
2002	4,460	3,019	1,079	362
2003	4,591	3,136	1,120	334
2004	4,702	3,226	1,155	321
2005	4,794	3,288	1,182	324
2006	4,866	3,323	1,202	341
2007	4,937	3,375	1,202	361
2008	4,837	3,173	1,171	493
2009	4,756	2,993	1,123	641
2010	4,744	2,864	1,073	807
2011	4,765	2,780	1,012	973
2012	5,219	3,032	1,181	1,006
2013	5,230	2,943	1,195	1,091
2014	5,165	2,777	1,205	1,184
2015	5,106	2,633	1,209	1,264
2016	5,071	2,500	1,228	1,343
2017	5,004	2,489	1,199	1,316
2018	4,934	2,445	1,199	1,291
2019	4,857	2,419	1,198	1,241
2020	4,743	2,389	1,198	1,156
2021	4,602	2,377	1,187	1,037

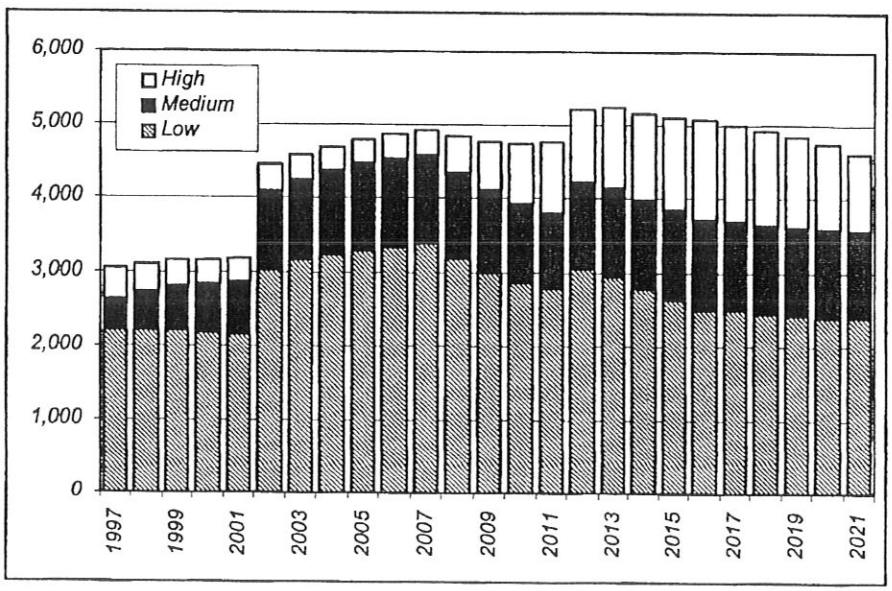


TABLE 7 NUMBER OF NEW DWELLING UNITS BY DENSITY TYPE--BURLINGTON

Year	All Densities	Low	Medium	High
1997	1,550	845	345	360
1998	1,479	798	379	303
1999	1,414	752	406	256
2000	1,354	709	426	219
2001	1,299	666	440	193
2002	1,207	627	418	162
2003	1,193	587	431	174
2004	1,173	549	438	187
2005	1,148	511	439	199
2006	1,118	473	433	212
2007	1,114	449	441	224
2008	1,056	406	401	249
2009	999	367	355	277
2010	943	331	304	308
2011	888	298	249	342
2012	800	257	240	303
2013	730	225	204	301
2014	655	194	165	296
2015	575	164	124	287
2016	491	135	80	275
2017	487	108	85	294
2018	451	85	73	292
2019	422	66	67	289
2020	402	49	67	285
2021	389	36	73	280

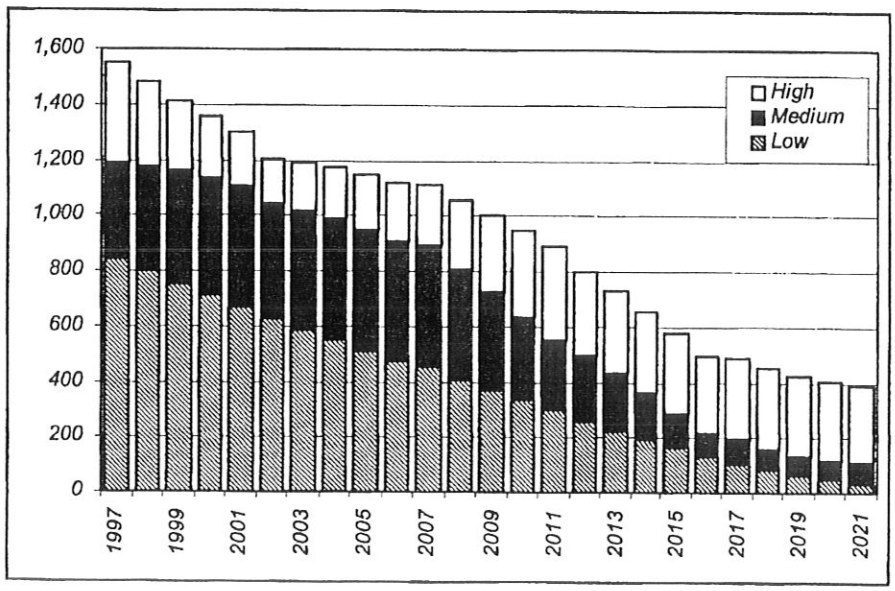


TABLE 8 NUMBER OF NEW DWELLING UNITS BY DENSITY TYPE--OAKVILLE

Year	All Densities	Low	Medium	High
1997	1,122	1,017	72	33
1998	1,197	1,028	129	41
1999	1,264	1,034	180	50
2000	1,322	1,036	224	62
2001	1,370	1,034	261	75
2002	1,514	1,007	332	175
2003	1,468	1,008	325	135
2004	1,438	1,004	323	110
2005	1,422	996	326	100
2006	1,421	983	334	104
2007	1,425	1,049	335	41
2008	1,445	962	353	130
2009	1,470	878	371	221
2010	1,530	820	394	316
2011	1,630	791	422	417
2012	1,791	793	496	501
2013	1,886	758	543	585
2014	1,990	722	595	674
2015	2,105	684	652	769
2016	2,228	644	714	871
2017	2,145	641	699	805
2018	2,133	626	718	789
2019	2,096	616	731	749
2020	2,032	611	737	684
2021	1,943	611	738	595

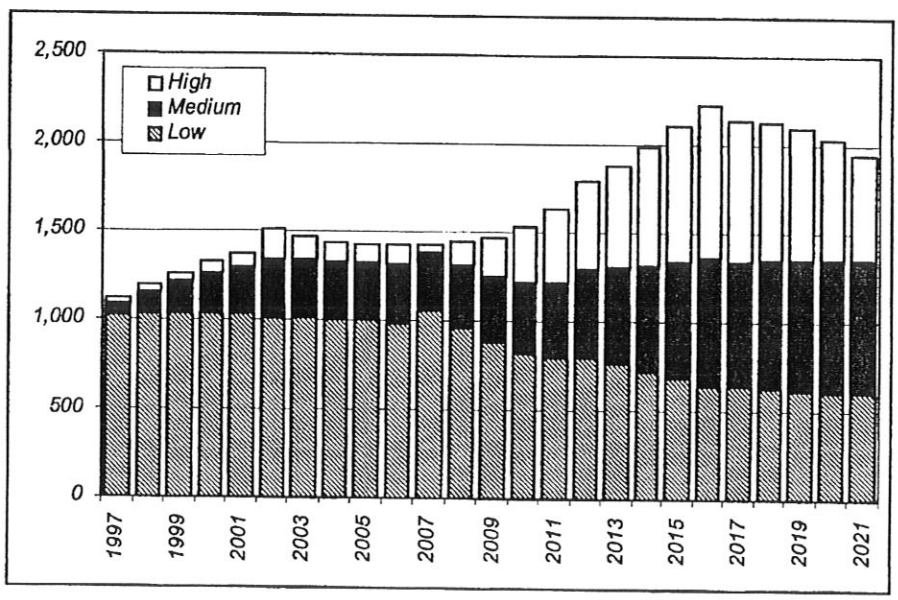


TABLE 9 NUMBER OF NEW DWELLING UNITS BY DENSITY TYPE--MILTON

Year	All Densities	Low	Medium	High
1997	37	-3	18	22
1998	37	-3	18	22
1999	37	-3	18	22
2000	37	-3	18	22
2001	37	-3	18	22
2002	1,192	903	281	7
2003	1,408	1,096	305	7
2004	1,593	1,262	324	7
2005	1,746	1,401	338	7
2006	1,868	1,513	347	7
2007	1,998	1,577	345	76
2008	2,006	1,586	327	94
2009	1,957	1,548	297	113
2010	1,851	1,463	255	133
2011	1,687	1,332	202	153
2012	1,988	1,582	285	122
2013	1,994	1,590	289	115
2014	1,990	1,592	295	103
2015	1,976	1,585	303	88
2016	1,952	1,571	313	67
2017	2,032	1,630	305	97
2018	2,050	1,644	308	99
2019	2,069	1,657	310	102
2020	2,089	1,669	313	107
2021	2,110	1,681	316	112

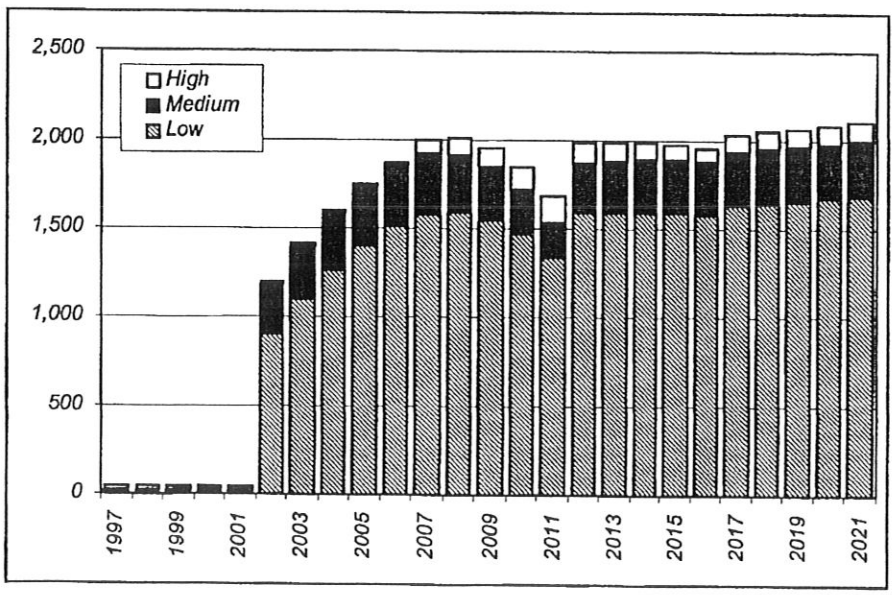


TABLE 10 NUMBER OF NEW DWELLING UNITS BY DENSITY TYPE--HALTON HILLS

Year	All Densities	Low	Medium	High
1997	342	334	-1	9
1998	384	376	-1	9
1999	417	409	-1	9
2000	440	432	-1	9
2001	453	445	-1	9
2002	547	482	47	18
2003	521	445	59	18
2004	498	411	69	18
2005	477	381	79	18
2006	459	353	88	18
2007	400	300	80	20
2008	330	220	90	20
2009	330	200	100	30
2010	420	250	120	50
2011	560	360	140	60
2012	640	400	160	80
2013	620	370	160	90
2014	530	270	150	110
2015	450	200	130	120
2016	400	150	120	130
2017	340	110	110	120
2018	300	90	100	110
2019	270	80	90	100
2020	220	60	80	80
2021	160	50	60	50

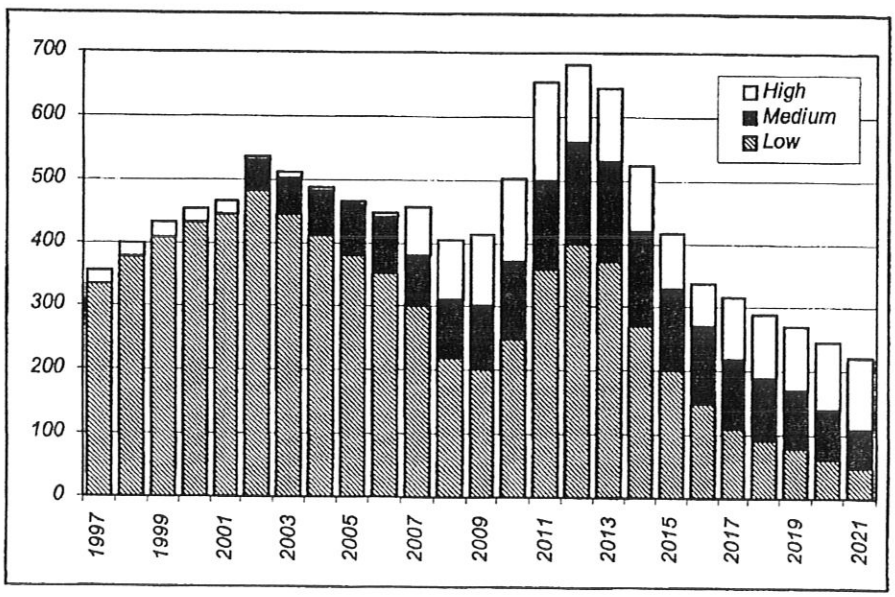


TABLE 11 EMPLOYMENT

Year	Halton	Burlington	Oakville	Milton	Halton Hills
1996	159,000	64,000	62,200	17,600	15,200
1997	163,490	66,538	64,592	17,120	15,241
1998	168,883	69,013	67,144	17,244	15,482
1999	175,031	71,429	69,820	17,888	15,894
2000	181,786	73,790	72,584	18,968	16,443
2001	189,000	76,100	75,400	20,400	17,100
2002	197,178	78,262	78,485	22,554	17,877
2003	205,476	80,449	81,354	25,026	18,646
2004	213,854	82,645	84,042	27,762	19,406
2005	222,275	84,834	86,579	30,705	20,158
2006	230,700	87,000	89,000	33,800	20,900
2007	238,827	89,130	91,277	36,867	21,554
2008	246,854	91,209	93,502	39,930	22,213
2009	254,646	93,223	95,690	42,878	22,855
2010	262,073	95,158	97,851	45,605	23,458
2011	269,000	97,000	100,000	48,000	24,000
2012	276,663	98,707	102,410	50,813	24,733
2013	284,288	100,278	104,974	53,542	25,494
2014	291,882	101,694	107,734	56,166	26,288
2015	299,451	102,941	110,729	58,659	27,122
2016	307,000	104,000	114,000	61,000	28,000
2017	314,226	105,040	117,088	63,326	28,771
2018	321,195	105,960	120,244	65,511	29,480
2019	327,851	106,760	123,456	67,533	30,102
2020	334,138	107,440	126,712	69,370	30,617
2021	340,000	108,000	130,000	71,000	31,000

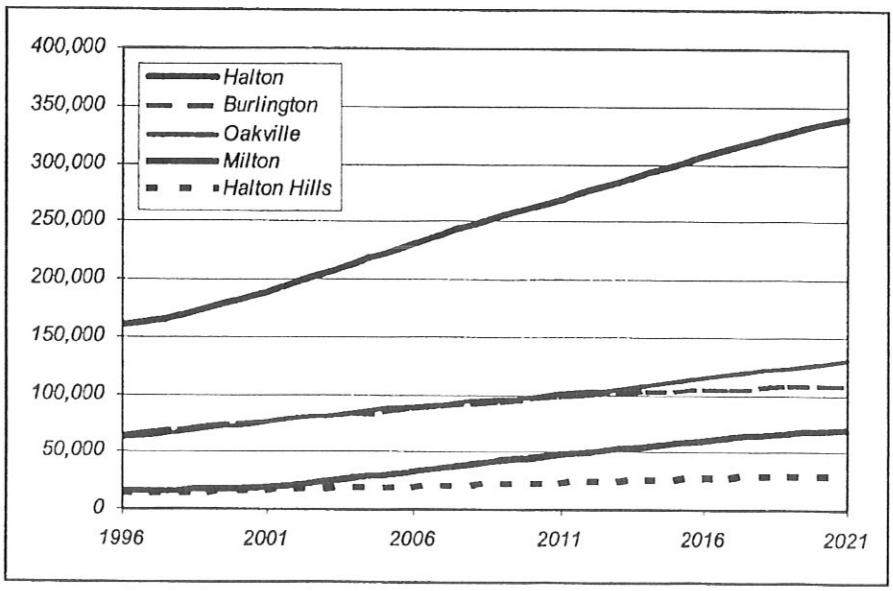


TABLE 12 ANNUAL EMPLOYMENT CHANGES

Year	Halton	Burlington	Oakville	Milton	Halton Hills
1997	+4,490	+2,538	+2,392	-480	+41
1998	+5,393	+2,475	+2,552	+124	+242
1999	+6,148	+2,416	+2,676	+644	+411
2000	+6,755	+2,361	+2,764	+1,080	+550
2001	+7,214	+2,310	+2,816	+1,432	+657
2002	+8,178	+2,162	+3,085	+2,154	+777
2003	+8,298	+2,187	+2,870	+2,472	+769
2004	+8,379	+2,196	+2,687	+2,735	+761
2005	+8,421	+2,189	+2,538	+2,943	+752
2006	+8,425	+2,166	+2,421	+3,095	+742
2007	+8,127	+2,130	+2,277	+3,067	+654
2008	+8,026	+2,079	+2,226	+3,062	+659
2009	+7,793	+2,014	+2,187	+2,949	+642
2010	+7,426	+1,935	+2,162	+2,726	+603
2011	+6,927	+1,842	+2,149	+2,395	+542
2012	+7,663	+1,707	+2,410	+2,813	+733
2013	+7,625	+1,570	+2,564	+2,730	+761
2014	+7,594	+1,417	+2,759	+2,623	+795
2015	+7,569	+1,246	+2,995	+2,494	+834
2016	+7,549	+1,059	+3,271	+2,341	+878
2017	+7,226	+1,040	+3,088	+2,326	+771
2018	+6,969	+920	+3,156	+2,185	+708
2019	+6,656	+800	+3,212	+2,022	+623
2020	+6,287	+680	+3,256	+1,837	+514
2021	+5,862	+560	+3,288	+1,630	+383

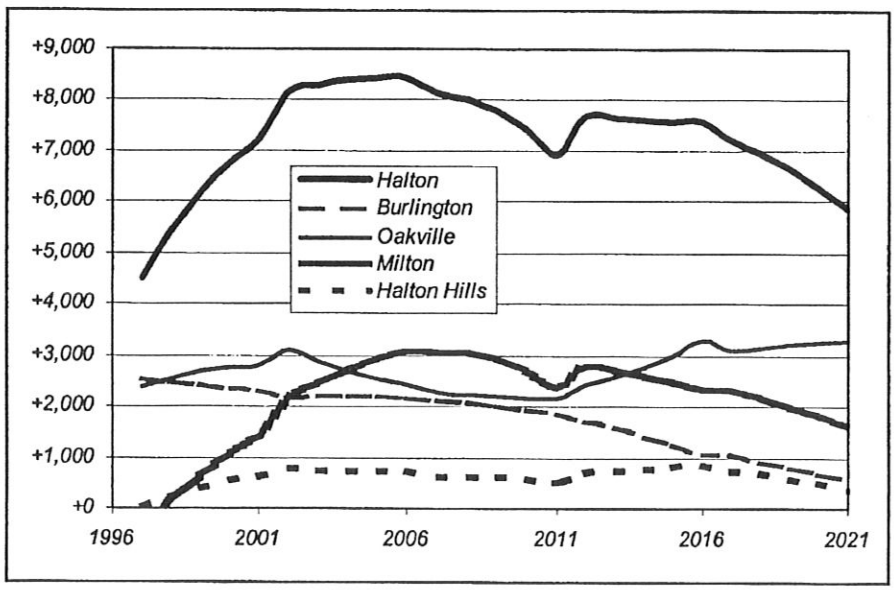
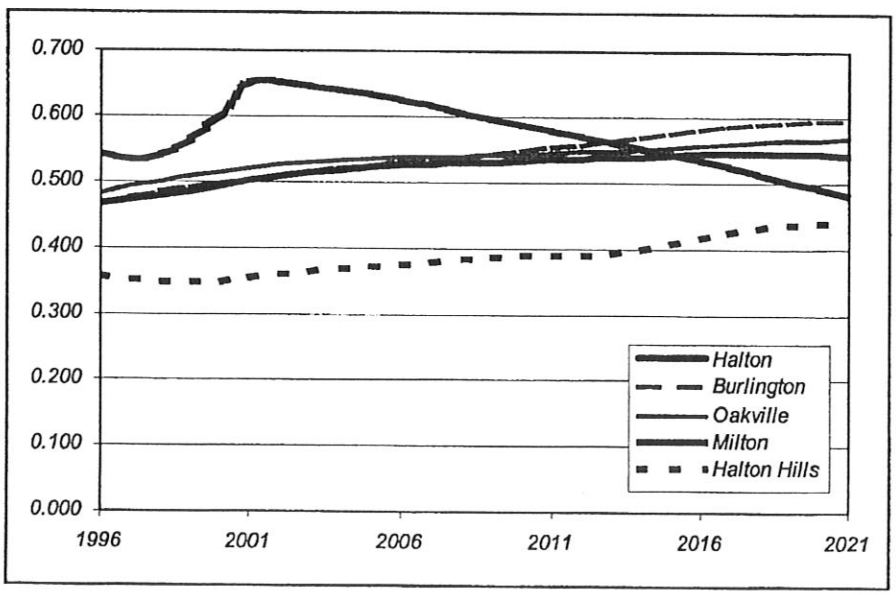


TABLE 13 EMPLOYMENT TO POPULATION RATIOS

Year	Halton	Burlington	Oakville	Milton	Halton Hills
1996	0.468	0.468	0.484	0.545	0.359
1997	0.473	0.476	0.493	0.535	0.353
1998	0.479	0.484	0.501	0.542	0.349
1999	0.487	0.492	0.509	0.566	0.349
2000	0.495	0.498	0.515	0.604	0.351
2001	0.504	0.504	0.520	0.652	0.356
2002	0.510	0.510	0.526	0.652	0.360
2003	0.515	0.515	0.530	0.648	0.365
2004	0.519	0.520	0.534	0.643	0.370
2005	0.522	0.525	0.536	0.634	0.374
2006	0.525	0.529	0.537	0.627	0.378
2007	0.526	0.532	0.538	0.617	0.380
2008	0.528	0.536	0.539	0.607	0.385
2009	0.531	0.541	0.540	0.598	0.389
2010	0.533	0.546	0.542	0.589	0.392
2011	0.534	0.552	0.544	0.580	0.391
2012	0.536	0.557	0.546	0.572	0.392
2013	0.537	0.563	0.548	0.562	0.395
2014	0.539	0.568	0.551	0.553	0.400
2015	0.541	0.574	0.554	0.544	0.408
2016	0.543	0.580	0.557	0.535	0.417
2017	0.545	0.585	0.559	0.526	0.426
2018	0.545	0.589	0.562	0.515	0.432
2019	0.545	0.592	0.564	0.504	0.438
2020	0.543	0.594	0.565	0.493	0.442
2021	0.541	0.593	0.566	0.482	0.443



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Ontario

2009 | Ontario Economic Outlook and Fiscal Review

The Honourable Dwight Duncan
Minister of Finance

Statement

Ontario

2009 | Ontario Economic Outlook and Fiscal Review

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Minister of Finance

Check Against Delivery

Statement

For general inquiries regarding the *2009 Ontario Economic Outlook and Fiscal Review*, *Statement* please call:

Toll-free English & French inquiries: 1-800-337-7222
Teletypewriter (TTY): 1-800-263-7776

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Perspectives économiques et revue financière de l'Ontario de 2009, Allocution

Introduction

global recession

Mr. Speaker, I rise today to present the *2009 Ontario Economic Outlook and Fiscal Review*.

In the past year, the recession has had a significant impact on the global economy — and on Ontario.

Many jurisdictions are facing sharp declines in revenues and increasing expenses as people turn to governments for support.

Our task in these times is clear: create jobs, help families and establish the conditions for future economic growth. Our plan to confront the challenge of this global recession, as outlined in the 2009 Budget, was, and continues to be, the right plan for the times.

Like governments all over the world, we have taken firm action. We are investing in infrastructure, in skills training, and in reshaping our tax system — all to ensure that we are ready for growth.

We have spent the last six years making steady progress rebuilding our public services, and now we must turn our attention to sustaining them.

Mr. Speaker, today I will update you on the Province's economic outlook and fiscal circumstances.

Economic Outlook and Fiscal Update

widespread impact

The global downturn continues to dramatically impact families, businesses and governments.

This global recession has been severe and widespread. According to the International Monetary Fund (IMF), world trade is contracting by 11.9 per cent in 2009.

Economies all over the world have contracted — some far more dramatically than ours. The United States and Europe saw striking declines. Both India and China saw notable slowdowns.

Based on the best available advice, we project a decline of 3.5 per cent in Ontario's real gross domestic product (GDP) in 2009, followed by modest gains of 2.0 per cent in 2010 and 3.0 per cent in 2011. Our planning assumptions are more conservative than the average private-sector forecasts.

As of the second quarter of 2009, Ontario's real GDP was 5.0 per cent below its pre-recession peak.

Mr. Speaker, due to this global recession, our economy is now the same size as it was in 2005.

Tax revenues are also now at 2005 levels.

supporting Ontarians through the recession

As we recently reported in the Public Accounts, corporate tax revenues fell last year by an unprecedented 48.1 per cent — or over $6 billion.

At the same time, the recession has driven up demand for government services.

More people rely on social assistance. More people require skills training programs. More people go back to college and university. More people rely on health care services. During a downturn, people depend more heavily on public services.

Growth in jobs and government revenue generally lags growth in the economy; it takes time to fully recover from a recessionary period.

Other jurisdictions face all of these challenges just as we do. But Ontario has another distinct challenge and opportunity.

keeping people working

Ontario's auto industry employs hundreds of thousands of people. In fact, more cars are built in Ontario than in any other state or province in North America.

Because of that very fact, the McGuinty government took action: we provided $4 billion to keep people working all over Ontario and to maintain our leadership in the sector — not just in the auto manufacturing business, but also in auto parts, at auto dealers, and in auto repair shops.

It is worth noting that Ontario is the only subnational jurisdiction in North America to have participated in the auto support plan.

Mr. Speaker, deficits have increased sharply in the world's leading economies. Furthermore, as the impact of the recession becomes clearer, governments have updated their estimates of the size of deficits over the past few months.

The U.S. deficit is almost $1.5 trillion. Our federal government is acknowledging a deficit of $56 billion this year — rather than the surplus it projected just a year ago.

Almost all other Canadian provinces are forecasting larger deficits this year. The economic downturn has had a very negative impact on all of us.

Alberta is facing deficits for the first time in 15 years.

The governments of Canada, the United States and some other provinces have all recently adjusted their deficit projections upward for the coming year.

signs of recovery

Due to the impact of the global economy on Ontario and our government's desire to invest in the people of this province, the projected deficit is $24.7 billion in 2009–10.

The deficit for 2009–10 is generally consistent with the size of Ontario's economy, relative to the Canadian economy — and generally consistent, proportionally, to the federal government's deficit.

Mr. Speaker, in recent months we have seen some signs of economic recovery.

Financial markets have started to stabilize; equity markets and housing markets have improved.

According to the most recent available statistics, Ontario's international exports increased in June, July and August.

And most importantly, Ontario's labour market has shown modest job gains in the past four months.

investing in job creation

Though these signs are positive, the impact of the global economic recession is still considerable. Household wealth and consumer confidence are below pre-recessionary levels. Retail sales are still down.

The risks to the global economy remain. Just in the past few weeks, the Canadian dollar has risen dramatically. Oil prices can also fluctuate, as we've seen recently. Rapidly rising interest rates could also be a further challenge to our economy, should that occur. The speed of the U.S. recovery will have an impact on our growth as well.

As always, government revenues trail economic performance, so it could be some time before economic growth brings revenues to pre-recession levels.

And we know full well that in communities across Ontario, like in communities around the world, unemployment remains high.

In the near term, therefore, we must continue to invest in job creation, in infrastructure, in skills training — Mr. Speaker, we will continue to invest in Ontario.

Lessening the Impact

At the first signs of an economic slowdown almost two years ago, the McGuinty government took immediate action to lessen the impact on Ontario families by helping to retain jobs and services.

investing in infrastructure

We are investing $32.5 billion in infrastructure. A new laboratory is underway at the University of Toronto in Mississauga and Highway 17 in Kenora is being improved — to name just two small examples. Shovels are in the ground and people are at work on over 650 projects right across Ontario.

We invested in the auto sector to keep people working.

And we've invested in training. Summer job programs this year helped more than 104,000 young people find summer employment opportunities. Over one million Ontarians have used our skills training programs. Our Second Career program alone has already surpassed its targets by helping almost 21,000 people retrain for jobs in high-demand careers.

investing in skills training

In the 2009 Budget, the McGuinty government continued to demonstrate its commitment to the most vulnerable, particularly during the economic slowdown. The Ontario Child Benefit program was accelerated to $1,100 this summer, two years ahead of schedule. We also increased social assistance rates for the fifth time since 2003.

Our government made a conscious decision to follow the IMF's advice to invest two to three per cent of GDP in stimulus, as other countries have done.

Our focus has also been on positioning Ontario for long-term growth.

The single most important thing we can do to make Ontario's economy more competitive is to modernize our tax system. Our proposed tax cuts and the Harmonized Sales Tax (HST) would give our businesses and families an important advantage in the global economy. The marginal effective tax rate on income from new business investment would be cut in half — sending a strong signal that Ontario is ready for new business growth.

At the same time, 93 per cent of Ontario taxpayers would get a permanent income tax cut. And our lowest income earners would have the lowest provincial tax rate in Canada.

Our proposed comprehensive tax package is going to make a difference to Ontario. It would create jobs, attract new business to this province and sharply improve our competitive advantage.

Our modernized tax system would be more progressive and would better position Ontario for economic growth. It would reduce Ontario tax revenue by $2.3 billion over four years, an essential and timely investment in our future.

These and other measures introduced in the 2009 Ontario Budget, *Confronting the Challenge*, are helping families weather the global economic storm and prepare for solid economic growth as we emerge from the recession.

Fiscal Sustainability

ensure sustainability of public services

Mr. Speaker, Ontario, along with most other jurisdictions around the world, is running a deficit in order to preserve and create jobs, and establish a stronger economy after the recession.

Ontarians know that this is the right course during tough economic times.

In our 2009 Budget we made the right choices for today.

As Ontario comes out of the recession, we will eliminate the deficit and pay down debt to ensure the sustainability of the public services we all value.

Today marks the beginning of a journey that will lead to the development of our next budget. We are now launching a broad consultation with Ontarians about how to best sustain our public services.

The Ontario Treasury Board will now review service delivery. It will provide a plan to return the Province to a sustainable and firmer fiscal footing and balanced budgets, while protecting key services.

review service delivery

The Treasury Board's action plan will be part of the 2010 Budget.

That is just our first step. In the coming months and years, we will change how we do business in this province. We are becoming an even leaner and even more efficient provider of quality public services.

Ontario has the second-lowest program expense per capita among all Canadian jurisdictions. We are doing well and we need to do more.

We will call on our partners in the public and the broader public sector to help us sustain public services in the long term. We will also review all agencies, boards and commissions to ensure they are meeting Ontarians' needs and expectations.

It is incumbent upon all of us to participate in this vital conversation — to help us build consensus on how to manage through this challenge.

We will report on our plan to return the Province to balance in the 2010 Budget.

This won't be easy and it will take time. Working together, we can get it done.

Focusing on Priorities

Mr. Speaker, in the coming months we will also continue to focus on our key priorities — the priorities most important to Ontarians: job creation, health care and education.

commitment to education

Education is, and always has been, one of the McGuinty government's core priorities.

We are dedicated to continually improving education in this province. That is why, later this month, Premier McGuinty will make an announcement about phasing in full-day early learning for Ontario's four- and five-year-olds.

This initiative will further increase the competitive advantage already found in our highly skilled and educated workforce.

Full-day learning for our four- and five-year-olds will also help parents take advantage of new job opportunities.

Making this investment will require difficult choices on our part. And we will make them.

more competitive Ontario

Mr. Speaker, our government will balance the commitment to maintain public services while securing a strong and sustainable fiscal footing for Ontario.

That is our task, Mr. Speaker, and we look forward to it.

Conclusion

I have every confidence that Ontario will come through this recession — wiser, more efficient, more competitive, stronger and ready for economic growth.

We have the fundamentals in place: a highly skilled workforce, a strong education system and a passion for innovation.

We can and will compete globally on the basis of our unique strengths.

And as a result, this will always be a province where the standard of living is high, and where each and every one of us has a real opportunity to succeed.

When we come out of this recession, and we will, Ontario will be bigger.

Ontario will be better.

Ontario will be stronger.

Thank you, Mr. Speaker.

Oakville Hydro Electricity -Summary
P.O. Box 1900
861 Redwood Square

Oakville ON L6J 5E3

Attention: Andrew Capling

OEB License Number: ED-1999-0242

Current Invoice Month: Aug 2009
Billing Start Date: 08-Aug-09
Billing End Date: 05-Sep-09
Report Date: 23-Sep-09

Contact Business Customer Centre:
1-866-922-2466 e-mail:
business.customer.centre@hydroone.com

DETAIL STATEMENT FOR AUG 2009

Account Number: 2747457005

Type: Non-Aggregate

Trafalgar DESN T1 T2 M

Information we used to calculate your bill

Total KWH	40,238,243.00
Total KWH w Losses	40,479,802.00

All meter quantities have been adjusted by authorized losses where applicable.

Charge	Peak Demand Date Time	Rate	Prorate Factor	Units		Total
Delivery						
Monthly Service Charges				-		$118.27
Regulatory Asset Recovery 2006				-		$2,610.00
Regulatory Asset Recovery 2008		$-0.0100		104,172.00	KW non-adj	($1,041.72)
Incremental Capital		$0.0210		104,172.00	KW non-adj	$2,187.61
Common ST Lines		$0.3500		104,172.00	KW non-adj	$36,460.20
Tx Connection Charge Transf	2009-08-17 15:00 EST	$1.3900		104,765.00	KW adj	$145,623.35
Transmission Network Charge	2009-08-17 16:00 Local	$2.2400		104,765.00	KW adj	$234,673.60
Sub-Total						$420,631.31

Total of all charges for this account **$420,631.31**

*********** THIS IS NOT AN INVOICE - PLEASE DO NOT PAY ***********

Regulatory Asset Recovery - Rider #4 (foregone distribution revenue) has been applied to the Fixed and Volumetric DX Charges. Rider #4 will be effective until April 30, 2011.

Strategic Solutions for a Changing World™

Briefing

RE: ***Oakville Hydro 2010 COS- EB-2009-0271- LRAM/SSM report***

Date: November 20, 2009

Summary

This is a response to the following OEB interrogatory:

43. Ref: Exhibit 10, Tab 1, Schedule 5, Page 1

Oakville Hydro is seeking approval for recovery of $669,349 related to the Lost Revenue Adjustment Mechanism ("LRAM") and $141,170 related to the Shared Savings Mechanism ("SSM") for Conservation and Demand Management ("CDM") programs it undertook between 2005 - 2008.

Please provide a complete list of the input assumptions used for all prescriptive measures within Oakville Hydro's total LRAM and SSM claim.

a) When supplying the list of input assumptions, include the source of the input assumption and the rationale for their use.

b) Please confirm that Oakville Hydro has used the best available input assumptions at the time of the third party assessment when calculating its LRAM amount.

43a

A summary list of the sources for each TRC input are provided in Table 1.

Table 1 - Source of TRC inputs for OHEDI CDM programs

Program year	Program	Energy efficient technology	Measure life	Free ridership	Demand savings	Energy savings	Equipment cost
2006-08	Customer Education - EKC	Multiple	OPA	OPA	OPA	OPA	OPA
2006	Multi-residential Interval Metering	Interval meters	Custom	Custom	Custom	Custom	Custom
2007	Lighting Retrofit	Motion sensor	Custom	Custom	Custom	--	Custom
		220W HE T8 fixture	Custom	Custom	Custom	--	Custom
2008	Peak Demand Reduction	Backup generators	Custom	Custom	Custom	--	Custom

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2008	Solar Panel Program	Solar panel	Custom	Custom	--	Custom	Custom
2008	Customer Education - Porchlight Program	13 W CFL	Custom	Default	Default	Custom	Custom

Values for these inputs can be found in Table 2, Table 3 and Table 4

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Table 2 - List of 2006 CDM program inputs

Program	Energy efficient technology	Number of participants /units	Measure life (years)	Free ridership	Demand savings (kW)	Energy savings (kWh/a)	Incremental equipment cost
Customer Education - Cold Water Wash Program[2]	Cold water clothes washing	600	1	25% / 30%[1]	--	623	$10
Customer Education - Spring EKC[3]	CFLs	18,932	4	10%	0	104	$2.50
	Timers	531	20	10%	0	183	$12.50
	PStats	231	15	10%	0.05	216	$65
	Fans	176	20	10%	0.014	141	$25
Customer Education - Fall EKC[4]	Energy Star® CFL	28,070	4	10%	0	104	$1.62
	SLEDs	6,756	30	10%	0	31	$8.70
	PStats	445	18	10%	0.12	522	$25
	Dimmers	352	10	10%	0	139	$13
	Indoor motion sensors	126	20	10%	0	209	$20
	PStat – baseboard	27	18	10%	0	1,466	$25
Multi-residential Interval Metering[5]	Interval meters	1	20	0%	46.46	406,976	$62,502

1. Free ridership rates used for SSM and LRAM calculations, respectively.
2. Inputs from the OEB Measures and Assumptions list.
3. Inputs from the 2006-2008 Conservation Results provided by the OPA and from a TRC calculator sent from Raegan Bunker of the OPA to Mary Craddock of OHEDI dated February 2, 2007.
4. Inputs from the 2006-2008 Conservation Results provided by the OPA and from a TRC calculator sent from Chris Bodanis of Energyshop to Mary Craddock of OHEDI dated March 3, 2007.
5. Energy savings for this program were provided from data on one of ten buildings. Costs are provided from equipment invoices and measure life is an estimate based upon equipment specifications.

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Table 3 - List of 2007 CDM program inputs

Program	Energy efficient technology	Number of participants /units	Measure life (years)	Free ridership	Demand savings (kW)	Energy savings (kWh/a)	Incremental equipment cost
Customer Education - EKC[1]	15 W CFL	34,238	8	22%	0.0013	43	-$2
	20 W+ CFLs	5,574	8	22%	0.0019	62	-$1
	Project Porchlight CFLs	7,205	8	24%	0.0013	43	$3.50
	Energy Star® ceiling fan	276	10	45%	0.0028	90	$47
	Furnace filter	1,113	1	45%	0.0112	38	$12
	Solar lights	4,396	5	87%	0	33	$4.75
	Outdoor motion sensor	440	10	45%	0	160	$16.20
	Dimmer switch	279	10	45%	0.0007	24	$13
	Energy Star® light fixtures	133	16	45%	0.0056	123	$24
	Seasonal LEDs	9,071	5	51%	0	14	$8.70
	T8 lighting	261	18	23%	0.0012	37	$20
	PStat	268	15	45%	0	75	$25
	Power bar with timer	122	10	23%	0.0063	72	$25
	Lighting control devices	1,408	10	45%	0.0185	72	$20.80
Lighting Retrofit[2]	Motion sensor	8	10	0%	0.6300	--	$2,164.28
	220W HE T8 light fixtures	76	10	0%	0.1800	--	$618.37

1. Inputs from the 2006-2008 Conservation Results provided by the OPA and from the OPA Measures and Assumptions List as of October 31, 2008.
2. This was in in-house retrofit. Costs are provided from equipment invoices. Demand savings are estimates based on operating hours and usage.

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Note that for the 2008 programs (Table 4), only the Customer Education Porchlight program has equipment costs listed as it is the only 2008 program with an associated SSM claim (LRAM calculations do not require an equipment cost). In the application as filed, the 2008 Customer Education – EKC program also had an associated SSM claim but it has since been removed from the list of programs for which an SSM is being requested. Unlike the 2006 and 2007 versions of that program, the 2008 Residential Coupon program was fully run by the OPA, without involvement from the LDCs so no SSM is being requested.

Table 4 - List of 2008 CDM program inputs

Program	Energy efficient technology	Number of participants /units	Measure life (years)	Free ridership	Demand savings (kW)	Energy savings (kWh/a)	Incremental equipment cost
Customer Education - EKC	Air Conditioner/Furnace Filters	566	1	65%	0.02	38	
	Energy Star® Qualified Compact Fluorescent Floods (Indoor & Outdoor)	6138	7	63%	0.00	88	
	Energy Star® Qualified Light Fixtures	9526	16	67%	0.00	133	
	Heavy Duty Timers	216	10	67%	0.02	301	
	T8 Fluorescent Fixtures	1733	16	67%	0.00	37	
	ENERGY STAR Decorative CFLs	22108	4	61%	0.00	30	
	ENERGY STAR Dimmable CFLs	1425	6	62%	0.00	98	
	Power Bars with Timers	102	10	59%	0.00	53	
	Programmable Thermostats - Baseboard	601	15	53%	0.00	64	
	Car block heater timer			100%	n/a		
	Energy Star® Qualified Compact Fluorescent Light Bulbs	13086	8	48%	0.00	53	
	Lighting Control Devices	1863	10	55%	0.00	102	
	Awnings	411		100%	0.00	0	
	Window Films	6629		100%	0.00	0	
	Electric Water Heater Blankets	203		100%	0.00	0	
	Pipe Wrap	12208	6	53%	0.00	38	
	Low-Flow Toilets	1597		100%	0.00	0	
	Keep Cool – Dehumidifier	4	12	65%	0.29	500	
	Keep Cool – Room Air Conditioner	4	9	58%	0.14	141	

Program	Energy efficient technology	Number of participants /units	Measure life (years)	Free ridership	Demand savings (kW)	Energy savings (kWh/a)	Incremental equipment cost
	Rewards for Recycling – Dehumidifier	114	12	56%	0.29	500	
	Rewards for Recycling – Room Air Conditioner	124	9	56%	0.14	141	
	Rewards for Recycling - Halogen Lamp	99	16	52%	0.01	275	
Customer Education - Porchlight Program LRAM Claim[1]	13 W CFL	2650	8	30%	0.001	43	
Customer Education - Porchlight Program SSM Claim[1]	13 W CFL	2650	4	10%	0.00	104	$2

1. Participant numbers provided by OHEDI. For the LRAM claim, inputs are the same as those used for the 2007 Customer Education – Porchlight Program provided in the 2006-2008 OPA Conservation Results for Oakville Hydro. For the SSM claim, inputs are from the 2008 OEB Measures and Assumptions list for a 15W CFL, prorated to a 13W CFL (the best available information at the beginning of the program year).

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In light of the updated analyses discussed in our answers to the interrogatories presented by VECC, the LRAM and SSM claims being requested by OHEDI are modified from those found in the application as filed. The changes are described in Table 5.

Table 5 - Adjustments made to the LRAM and SSM claims in the application as filed

Adjustment	Adjusts the LRAM claim?	Adjusts the SSM claim?	Justification of the adjustment
Addition of the free ridership missed by the OPA for its 2006 Cool Savings Rebate Program	Yes	No	Response to VECC IR Question 27b
Adjustment of the energy savings for Porchlight CFLs found as part of the 2008 Customer Education EKC program to reflect the assumptions used by the OPA for the 2007 program	Yes	No	Response to VECC IR Question 27b
Update of the results for the 2008 OPA funded programs to their confirmed, finalized values	Yes	No	Response to VECC IR Question 28c
Removal of the 2008 Customer Education EKC program from the list of programs eligible for SSM	No	Yes	Response to VECC IR Question 29b

LRAM and SSM values to be claimed by OHEDI are divided into rate class as shown in Table 6.

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Table 6 - LRAM and SSM values claimed by OHEDI for the 2006 - 2008 CDM portfolio

Rate Class	LRAM	SSM
Residential	$672,702	$123,907
GS 50-999 kW	$20,863	$1,159
GS 1,000-4,999 kW	$0	($2,015)
Total	**$693,565**	**$123,051**

43b

We confirm that Oakville Hydro has used the best available input assumptions at the time of the third party assessment when calculating its LRAM amount. At the time of our application as filed, we noted that OPA's data for 2008 programs were preliminary and would be updated when the final results were provided by the OPA. Those were delivered to us on 10 November 2009 and have been incorporated into the updated values in the above Tables.

Prescriptive measures used values provided by the OPA as a result of program-specific evaluations, where available. Where program-specific evaluations were not available, we used values from the OPA's 2008/2009 Measures and Assumptions List where possible, or from the OEB's measures list in the TRC Guide where the measure was not on the OPA's list (i.e. cold-water washing).

Custom measures were substantiated through documentation such as invoices of equipment type, wattage, and costs.

Exceptions to the values proposed by the OPA or the OEB are as follows:

- OHEDI upgraded the lighting in its own facility and installed a solar powered hot water heating appliance. These were initiatives that were not budgeted for or planned, but were put into place once the third-tranche CDM funding was offered. Oakville Hydro has advised that because it would not have undertaken this initiative in the absence of the CDM program, the appropriate free rider rate is 0%.
- Similarly, the peak demand reduction program, involving installation of backup generators that can be remotely dispatched during peak times put in place technology that would not have been deployed in the absence of the CDM program; the free rider rate is thus 0%. The installation of multi- residential interval metering would have also not taken place without the CDM program. Its free rider rate is also 0%.

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