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November 27, 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: Vulnerable Energy Consumers Coalition (VECC)
EB-2009-0261
Chatham-Kent Hydro Inc. – 2010 Electricity Distribution Rate Application

Please find enclosed the interrogatories of the Vulnerable Energy Consumers Coalition (VECC) in the above-noted proceeding.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

Chatham-Kent Hydro Inc. ("CK" "CKHI" or "Chatham-Kent")

2010 Rate Application

EB-2009-0261

Interrogatories of the Vulnerable Energy Consumers' Coalition ("VECC")

Question #1

Reference: Exhibit 2/Tab 1/Schedule 1, pages 9-10

a) Please provide a copy of the budget approved by the Board of Directors for each year, 2008, 2009, and 2010.

Question #2

Reference: Exhibit 2/Tab 1/Schedule 1, page 9
Exhibit 4/Tab 2/Schedule 6, page 6

a) Please provide a comprehensive list detailing the financial, regulatory, and service targets approved for each year 2006-2010 inclusive.

b) Please provide the actual results with respect to each of the targets for 2006-2008 inclusive, along with the projected results for 2009.

c) Please provide the actual incentive amounts paid for each year 2006-2008 inclusive, along with the projected incentive amount for 2009, along with the breakdown of the payment amounts by employee group.

Question #3

Reference: Exhibit 2/Tab 3/Schedule 2, page1

a) Please provide a copy of the four-year capital plan that was approved for the years 2008-2011, i.e., the plan approved one year before the 2009-2012 plan.

Question #4

Reference: Exhibit 2/ Tab 2/ Schedule 3, pages 5, 10, 14, 20, and 24
Exhibit 2/Tab 3/Schedule 2, pp 5-6 and pp 43-45

a) It appears that CK purchased a bucket truck in each year 2004-2008 inclusive. Please provide the details of the bucket truck fleet for each year 2004-2009 on an actual basis and for 2010-2012 on a planned basis. The details should include the number, type, and purchase price for each bucket truck in the fleet.

b) For each year 2004-2009 inclusive and for bucket truck that was replaced or retired in this period, please provide the original purchase price, the vintage of the truck, years in service to CK, and kilometres (mileage) when replaced or retired.

c) If the number of bucket trucks in CK's fleet has changed since 2004, please provide a rationale for the change.

Question #5

Reference: Exhibit 2/Tab 3/Schedule 2, page 15

a) The evidence states that Chatham-Kent has 13,420 wooden poles and replaces about 35 annually. Please provide the expected life of a wooden pole.

Question #6

Reference: Exhibit 4/Tab 2/Schedule 6, page 4
Exhibit 4/Tab 2/Schedule 6, page 8, Table 4-20

a) The first referenced exhibit states that FTEs will increase from 39 in 2009 to 44 in 2010 and appears to indicate the addition of only 1 management position. The second referenced exhibit states that FTEs will increase from 38 in 2009 to 44 in 2010 and indicates the addition of 2 management positions. Please reconcile this difference and make any corrections required to these two exhibits.

Question #7

Reference: Exhibit 4/Tab 2/Schedule 6, page 8, Table 4-20

a) The referenced exhibit shows no incentive payments for 2006-2010 inclusive. If this is correct, please confirm; if unable to so confirm please complete this exhibit by providing the incentive amounts paid for each year by employee group.

b) Please supplement this table by showing compensation per FTE for each employee group, in each compensation category.

Question #8

Reference: Exhibit 3/Tab 1/Schedule 1, page 1

a) Please provide a schedule setting out the rates and volumes by customer class supporting the 2010 test year revenues at current rates reported here. Please provide the results for the fixed and variable revenues separately and reconcile with the percentages reported in Table 8-6.

b) Please clarify whether the rates used in part (a) included:
- Smart Meter charges
- LV charges
- Discounts for transformer ownership where applicable.

Question #9

Reference: Exhibit 3/Tab 2/Schedule 1, pages 1-7

a) In its EB-2007-0680 Report (page 33) the Board directed Toronto Hydro to work with other parties to understand differences in load forecast methodologies employed. Has Chatham-Kent had any discussions with Toronto Hydro regarding changes it may be implementing in its load forecast methodology? If yes, what was the outcome and how are they reflected in Chatham-Kent's?

b) Is Chatham-Kent aware of the fact that for its 2010 Rate Application (EB-2009-0139), Toronto Hydro has changed its load forecasting methodology to one that uses class specific models to forecast sales on a class specific basis? If yes, please comment as to why the Toronto data supports such analysis while (as discussed on page 4) Chatham-Kent's data does not.

c) What was the weather normalization period used by Toronto Hydro and the other utilities referenced on page 4 of the Application?

Question #10

Reference: Exhibit 3/Tab 2/Schedule 1, pages 8-13

a) Did Chatham-Kent examine whether the Seasonal Weighting Factor variable and the Industrial Production Weighing Factor variable were both independent of the HDD and CDD variables (i.e. whether the independent variable were correlated with each other)? If yes, what tests were performed and what were the conclusions? If not, provide such an assessment.

b) What is the basis for the unemployment rate forecast used for 2009 and 2010?

c) Please provide a schedule that sets out the following for each year from 2002-2008:
   - Local Unemployment Rate (i.e., Windsor-Sarnia Region)
   - Ontario Unemployment Rate.

d) What is the most recent forecast by Ontario Ministry of Finance for the Ontario unemployment rate and GDP for 2009 and 2010 (i.e., based on October 2009 Economic Outlook)? How does this compare with the forecast used by Chatham-Kent?

e) Please provide the actual 2009 monthly unemployment rates for the Windsor-Sarnia region for those months data is available.

f) Please confirm that in the proposed regression model GDP has a "negative coefficient" and that this means higher levels of GDP will result in lower forecast purchases. Please also confirm that this is a counter-intuitive result.

g) Please explain why, given the GDP variable is statistically insignificant and appears to have a counter-intuitive sign, Chatham Kent retained it in the regression model.

h) Please provide the results (similar to page 11) for a regression equation similar to that used by Chatham-Kent but excludes the independent variables GDP and Median Age.

i) Using the results from part (h) and Chatham-Kent's forecast for the remaining independent variables, please provide a forecast of predicted purchases (prior to any adjustments for Slow Down/Closures and CDM) for 2009 and 2010.

j) Using Chatham-Kent's proposed regression model and Chatham-Kent's definition of weather normal please provide the **predicted weather normal** purchases for the years 2002 to 2008.

k) Please provide a table similar to Table 3-8 that compares the Predicted Purchases (based on actual weather conditions) and the Predicted Weather Normal Purchases (per part j)) for each year and set out the variance.

Question #11

Reference: Exhibit 3/Tab 2/Schedule 1, pages 14-18

a) Please update Table 3-8 for actual values through to November 2009.

b) In using its regression model to forecast purchases for 2009 and 2010, Chatham-Kent the unemployment forecast used by the Company increases over the two years relative to 2007 and 2008. To what extent is this increased unemployment capturing the plant shut downs and slowdowns discussed on pages 15-16 such that the proposed manual adjustment results in "double counting' the impact?

c) Please provide a schedule that sets out the total load (kWh) for the 17 customers noted in Table 3-11 for each of the years 2002-2008 and for the period January-November 2009.

d) Please provide details regarding the derivation of the 4% load reduction adjustment for CDM applied to the Residential class and the 1,794,773 kWh adjustment for CDM applied to the GS<50 class.

e) With respect to the CDM adjustment (pages 16-17), please compare the kWh adjustment made for each class with the kWh savings for post January 2007 programs as identified in the LRAM/SSM request in Exhibit 10. Please reconcile any differences.

f) Please confirm that the values set out in Table 3-10 are meant to reflect the adjustment required to the forecast of purchases Chatham-Kent will make.

g) Are the values in Table 3-11 customer billed quantities or have they been marked up for losses. If the former, please explain why the same total value is used in Table 3-10. If the latter, what was the loss factor used?

Question #12

Reference: Exhibit 3/Tab 2/Schedule 1, pages 18-24

a) Please clarify whether the customer/connection data set out in Table 3-13 is year end or average annual values.

b) Table 3-13 shows no Large Use customers for 2002-2008. However, Table 3-11 identifies the recent shut down of a large use customer. Please reconcile and revise Table 3-13 as required.

c) What is the most recent actual customer count for each class and on what month of 2009 are the values based?

d) Please confirm that the calculation of the geometric mean annual growth rate in Table 3-17 really only considers the average use values for 2002 and 2008. If this is not the case, please explain more fully how the value is calculated.

e) Residential and GS<50 classes annual usage per customer values set out in Table 3-17 will be influenced weather in the year concerned.
   - Given this fact, please confirm that the calculated growth rates for these two classes will be affected by historical variations in weather.
   - Why is it appropriate to use the growth rate in usage per customer/connection (non weather-normalized) to forecast usage for 2008 and 2009?

f) Exhibit 7/Tab 1/Schedule 2 (page 1) states that the historical load and customer count for the Large Use class has all been moved to the new Intermediate class. Please confirm that placing these larger customers in the history for the Intermediate class will increase the historical use per customer values set out in Table 3-16.

g) Please re-do Table 3-16 such that for each class the customers and load included are only those that meet the class definition. Please then re-do Table 3-17 using these results.

h) Please contrast the size of the weather adjustment required for 2009 and 2010 (Table 3-20) with the size of the historical weather adjustments per Question 10, part k).

i) Please provide the source and specific Hydro One information relied on in order to determine the weather sensitivity by rate class (Table 3-22, page 23).

j) Please provide a schedule setting the average weather normalized use per customer for each class based on the data provided by Hydro One Networks

for Chatham-Kent's 2007 Cost Allocation filing and indicate the year the data is based on.

k) Please apply the same methodology as used by Chatham-Kent to weather normalize 2010 usage and determine the weather normalized use by customer class for 2008 using the predicted total weather normalized purchases as determined in Question 10, part (j) and the actual non-weather normalized used by class for 2008. Please provide a schedule that sets out the results in terms of total weather normalized use by customer class and per customer weather normalized use by customer class for 2008.

l) Why is it reasonable to assume that all customer classes have the same degree of weather sensitivity (page 23)? What assumptions were made by Hydro One regarding the weather sensitivity of the GS>50; Intermediate; Streetlights; Sentinel Lights and USL classes for purposes of creating load profiles used for the 2007 Cost Allocation filing?

m) Chatham-Kent suggests that using Hydro One's weather sensitivity assumptions yields unreasonable results and there the Company has used an alternative assumption regarding weather sensitivity by class. Did Chatham-Kent consider that the unreasonableness of the adjustment may be due to the fact its forecast of non-normal billed energy for 2009 and 2010 (per Table 3-20) was unreasonable? If not, why not? What evidence is there that Chatham-Kent's non-normal billed energy forecast for 2009 and 2010 is reasonable?

n) Please confirm that Table 3-23 reflects billed energy by customer class.

o) Please reconcile the 101,717,086 adjustment in billed energy shown in Table 3-23 with the 102,236,148 adjustment in purchased energy shown in Table 3-10 along with the assumed 4.43% loss factor (per page 18). Shouldn't the adjustment in billed energy be less than 98,000,000 kWh?

Question #13

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

a) Please explain why year over year variance in Interest and Dividend Income between 2007 and 2010.

Question #14

Reference: Exhibit 6

a) Based on the responses to the first round of interrogatories from all parties please prepare a schedule that sets out all the adjustments/revisions that Chatham-Kent has acknowledged as being required to the currently requested 2010 revenue requirement and the impact of each. For each, please provide a cross-reference to the relevant interrogatory response.

Question #15

Reference: Exhibit 7/Tab 1/Schedule 2

a) What is the difference between Chatham-Kent's proposed Intermediate class and the Intermediate 1,000 kW to 4,999 kW (TOU) class in the existing rate schedule (per Exhibit 8/Tab 1/Schedule 8)?

b) Page 1 suggests that the USL is now a new separate class. However, the existing rate schedule includes a separate USL class. Please reconcile.

c) Please provide an electronic version of Appendix C.

d) With respect to Appendix C, Sheet O1, please list the cost elements that are directly allocated to customer classes and explain the rationale for using the direct allocation for each and how the quantum to be directly allocated was determined.

e) Please reconcile the revenue requirement components (i.e.,, Interest, Net Income, Depreciation, OM&A and PILs) shown on Sheet O1 with the values reported in Exhibit 6/Tab 1/Schedule 1.

f) Chatham-Kent is proposing to increase the revenue to cost ratios for some customer classes well above the Board's recommended lower boundary for the class. Please explain why such increases are considered to be consistent with the Board's Report per EB-2007-0667 and the Board's finding in other cost of service Applications where the ratios were to move to the lower boundary over several years.

g) Please explain why, in the case of Residential and GS<50, the ratios are being moved from one side of unity to the other and why this is viewed as consistent with the Board's guidelines.

h) Please provide the derivation of the revenue splits set out in Table 7-6 (also Table 8-2).

Question #16

Reference: Exhibit 8, page 2

a) Please explain why the values reported in Table 2 for "2010 Base Revenue Allocation from Cost Allocation" don't match the values reported Sheet O1 of the 2010 Cost Allocation Model filing.

Question #17

Reference: Exhibit 8/Tab 1/Schedule 1

a) Please provide a schedule that sets out the derivation of the revenue splits reported in Table 4.

b) Please confirm that the Board's EB-2007-0667 Guideline (page 12) sets the upper limit for the MSC at 120% of avoided costs plus the allocated customer costs (i.e., Minimum System plus PLCC Adjustment).

c) The Board's report establishes an upper and lower bound for the MSC and provides guidance on the application of such boundaries when the current rates fall outside the values. Please explain why it is appropriate for Chatham-Kent to increase the service charges for the Residential, GS<50 and USL classes to the ceiling amount shown in the Cost Allocation model.

d) Please provide a schedule that sets out the service charges for each class based on maintaining the current fixed/variable proportions shown in Table 8-6.

e) Please confirm that based on the proposed rates set out in Exhibit 8/Tab 1/Schedule 9, all GS>50; Intermediate and Standby customers who own their own transformer will receive the $0.60/kW discount.

Question #18

Reference: Exhibit 8/Tab 1/Schedule 3, page 3

a) Please explain more fully how the Forecast 2010 values shown in Table 8-11 were derived (i.e., what were the load and rates used to determine the "costs" and "revenues")? in particular, what were the HON charge assumptions for 2010 and what was the basis for these assumptions?

Question #19

Reference: Exhibit 8/Tab 1/Schedule 4, page 2

a) Please provide an allocation of forecast 2010 LV cost to customer classes based on the proportion of Retail Transmission Line and Transformation Connection Service revenues from each class.

Question #20

Reference: Exhibit 8/Tab 1/Schedule 6, page 1

a) Why has Chatham-Kent chosen a 6 year average as the basis for its Distribution Loss Adjustment Factor?

Question #21

Reference: Exhibit 8/Tab 1/Schedule 11, Appendix A

a) Please provide a schedule that, based on the most recent 12 month billing data, sets out:
   - The total number of Residential bills issued
   - The number of Residential bills with usage of 250 kWh/month or less

Question #22

Reference: Exhibit 9/Tab 1/Schedule 1, page 7

a) Please explain what the December 2008 balances in the following accounts represent (i.e.,what activities are associated with the costs?):
   - Qualifying Transitions Costs (#1570)
   - Extra-Ordinary Event Costs (#1572)

b) For Accounts #1518 and #1548 please provide a schedule that sets out separately the revenues and costs posted to each account for 2007 and 2008.

c) Consistent with the Board's EB-2008-0046 Report, please report separately the balances in: i) the RSVA –Power account (excluding the Global Adjustment Sub-account and ii) the RSVA-Power-Global Adjustment sub-account for Tables 9-1 and 9-2.

d) Please revise Table 9-3 (Disposition of Accounts) to show separately the Global Adjustment sub-account and allocate the balance for disposition in this account in accordance with the EB-2008-0046 Board Report, page 21.

Question #23

Reference: Exhibit 9/Tab 2/Schedule1, Appendix A
Exhibit 9/Tab 2/Schedule1,Tables 9-5, 9-6 and 9-10

Preamble: Chatham-Kent Hydro has filed pricing information with respect to smart meters in confidence for the reasons set out in the cover letter to this Application. That information is designated as Exhibit 9, Tab 2, Schedule 1, Appendix A to this Application.

a) Provide Support/details of the 2008-2009 Residential Class SM Unit costs (procurement and installation).

b) Provide Support/details of the 2008 Residential Class SM AMI, communications and back office costs (procurement and installation).

c) Provide Support/details of the 2008-2009 Commercial Class SM Unit costs (procurement and installation).

d) Provide Support/details of the 2008-2009 Commercial Class SM Unit costs (procurement and installation).

e) Provide a schedule that gives a breakdown of the historic and current Capital Costs shown in Table 9-5 between the Residential and GS<50kw and other classes. Reconcile this to the costs in Tables 9-6 and 9-10.

f) Provide a breakdown of the O&M costs for meters installed in 2008 between the Residential, GS<50kw and Other classes. Reconcile this with the costs shown in Table 9-10.

g) Confirm whether the Smart Meter Disposition Rider includes 2009 O&M Costs. If so Provide the projection of O&M costs for 2009 and provide a breakdown between the Residential, GS<50kw and Other classes.

Question #24

Reference: Exhibit 9 Tab 2 Schedule1, Pages 10-11 Tables 9-12, 9-13 and 9-14

a) Based on the rate class split in capital and operating costs provided in the response to VECC IR#23 parts e, f and g, provide a schedule that shows the amount to be recovered (including carrying costs) and the May 2010 to April 30, 2012 SM Disposition Rider by rate class and compare this to the aggregate $0.45 per month per metered customer.

b) Calculate the Net Fixed assets and Permanent Rate Adder Revenue Requirement by rate class (residential, GS<50kw and other) and calculate the SM Permanent Rate monthly rate for each rate class. Compare this to the proposed aggregate $0.18/month per customer.

Question #25

Reference: Exhibit 9/Tab 2/Schedule 1, Appendix B and Appendix C

a) Provide a cash flow projection showing SM rate adder revenue and SM expenditures by Month for the 2009, 2010 and 2011 rate years.

b) Breakdown the SM revenue requirement and SM Rate Adder by rate class (residential, GS<50kw and Other. Compare to the aggregate $0.51/metered customer per month.

Question #26

Reference: Exhibit 10/Tab 1/Schedule 1, page 3

Preamble:

In addition to the requirements with respect to the other aspects of this Application, the Filing Requirements contain provisions relating to applications for LRAM and SSM adjustments, and Chatham-Kent Hydro submits that it has relied on and complied with the LRAM/SSM provisions of the Report and, the OEB's TRC Guide and the Filing Requirements in preparing this request for LRAM/SSM adjustments for the years 2006 to 2009.

a) Does CKHI agree that the OEB Guidelines Section 7.5 indicate that savings and LRAM claims should be based on the "Best Available" input assumptions at the time that the LRAM claim was prepared?

b) Does CKHI agree that in the case estimation of 2005 -2008 KWh savings, this means using the best available 2007 and 2008 input assumptions, which were and are those of the OPA Measures and Input Assumptions List? If not explain why not.

c) Indicate whether or not the EnerSpectrum independent review of 2009 lost revenue associated with 2005 -2009 OPA Programs used the latest OPA input assumptions residential mass market measures and Affordable/Social housing (notably CFLs, Low Flow Showerheads and PTs) as demonstrated in the following OPA documents:
    i. OPA 2007 EKC Program Calculator
    ii. OPA 2008/2009 Measures and Assumptions list (now adopted by the OEB)

d) Provide a Copy of the 2006 and 2007 OPA Every Kilowatt Counts Program Calculators.

e) Confirm whether CKHI reported to the OPA on the 2006 and 2007 EKC campaigns using Mass Market measures assumptions (particularly CFLs) specified in the OPA 2006 and 2007 EKC Program Calculators.

f) Indicate whether or not the LRAM claim for 2005, 2006, 2007 and 2008 related to third tranche programs is based on using the OEB TRC Guide values for CFLs, showerheads and PTs, or the OPA 2007 EKC Calculator and/or OPA 2008/2009 Measures values.

g) With respect to the SSM Claim, does CKHI agree that the Board's Guidelines indicate that Assumptions used from the beginning of any year will be those assumptions in existence in the immediately prior year. For example, if any input assumptions change in 2007, those changes should apply for SSM purposes from the beginning of 2008 onwards until changed again.

   Provide the rationale for using the recently published OPA Assumptions and measures list for all programs/projects, and how these align with section 7.3 of the Board's Guideline as quoted above.

Question #27

Reference: Exhibit 10/Tab 1/Schedule 1, Appendix A, pages 5-6

Preamble:

The sum of all program LRAM calculations, including OPA sponsored programs is $569,637. Attachment B summarizes the CDM load impacts by program and rate class and the resultant revenue impacts.

The sum of all program NPVs, is $4,091,149, resulting in the SSM claim of $204,557. Attachment C summarizes the calculation of the SSM amounts by program and in total.

a) Provide a schedule for the *Residential Sector and GS<50 kw* CDM programs that breaks down by measure the components of the **as filed** LRAM claim and the total kwh and kw for each year 2005-2009 (including showing separately carry forward of prior years' savings):
    i. Third tranche Programs
    ii. OPA Funded programs
    iii. Other e.g. Rate funded programs (Smart meters etc)

b) Provide a Schedule that provides the details of the calculations of the SSM claim for the Residential and GS<50 kw classes.

c) Provide a reconciliation of the Residential and GS<50 kw Sectors Kwh savings and LRAM and SSM amounts in the Schedules in the responses to parts a and b with those shown in Exhibit 10 Tab 1 Schedule 1 Appendix A Pages 5-6 Columns 1 and 2.

d) Confirm that CKHI is not now claiming and in future will not claim, carrying costs on the 2006-2009 LRAM/SSM amounts.

e) Provide a schedule that shows the derivation of the Residential and GS<50kw Rate riders based on the kwh savings breakdown and carrying costs provided in response to parts a)-d) of this IR. Reconcile this with the Table at Exhibit 10 Tab 1 Schedule 1 Appendix A Page 6 and Exhibit 10 Tab 1 Schedule 3 Tables10-2 and 10-3

Question #28

Reference: Exhibit 10/Tab 1/Schedule 1, page 3
Enerspectrum Report, Attachments A, B, and C

Preamble

In addition to the requirements with respect to the other aspects of this Application, the Filing Requirements contain provisions relating to applications for LRAM and SSM adjustments, and Chatham-Kent Hydro submits that it has relied on and complied with the LRAM/SSM provisions of the Report and, the OEB's TRC Guide and the Filing Requirements in preparing this request for LRAM/SSM adjustments for the years 2006 to 2009.

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

LRAM Claim	**Third tranche Incl. 2006 Carryover**	**Rate funded**	**OPA Funded**	**Verification(s)**
2006	OEB Guide	OEB Guide	OPA EKC Calculator	EnerSpectrum
2006	OEB Guide	OEB Guide	OPA EKC Calculator	EnerSpectrum
2007	OEB Guide	OEB Guide	OPA EKC Calculator	EnerSpectrum
2008	OPA Measures	OPA Measures	OPA Measures	EnerSpectrum
SSM Claim				
2006	OEB Guide	OEB Guide	OPA EKC Calculator	EnerSpectrum
2006	OEB Guide	OEB Guide	OPA EKC Calculator	EnerSpectrum
2007	OEB Guide	OEB Guide	OPA EKC Calculator	EnerSpectrum
2008	OPA Measures		OPA Measures	EnerSpectrum

b) Provide a complete list by measure **by year** of the input assumptions used to prepare the residential and GS<50kw kwh and kw load impacts in the Enerspectrum Report Exhibit 10Tab 1 Schedule 1 Attachments A, B and C and associated LRAM and SSM claims. In particular provide the detailed input assumptions for all mass market measures including CFLs and PTs.

i. Kwh and Kw savings
ii. Free ridership

iii. Cost of measure
iv. Measure life
v. Source(s)/authority(ies) for assumption(s)

c) For Smart Meters provide the following information
i. Kwh and Kw savings
ii. Cost of measure
iii. Measure life
iv. Source(s)/authority(ies) for assumption(s)

Question #29

Reference: Exhibit 10/Tab 1/Schedule 1, Appendix A-EnerSpectrum Report and Attachments A, B, and C

Preamble

LRAM amounts were identified by rate class consistent with the approved guidelines. No forecast or other adjustment for the effects of CDM programs was made to the load quantities used in the preparation of Chatham-Kent Hydro's rate cases in prior years. It is Chatham-Kent Hydro's submission that the entire actual load reduction achieved by the two eligible CDM programs is subject to LRAM treatment. In addition, OPA sponsored programs, although ineligible for additional SSM incentives, represent lost revenue through their successful implementation and are included in LRAM calculations.

a) Confirm/correct/complete the following Input Assumptions and Kwh savings Comparison Table (based on Exhibit 10 Tab1 Schedule 1 Enerspectrum Report Attachments A, B and C) in the format below for Residential Mass Market measures and Social Housing. Include any missing programs related to CFLs, PTs and Seasonal Lights:
[Note values provided are illustrative only – actual to be used for as filed and OPA Assumptions List]

Program	Efficient Measure	Participants As filed	As Filed unit kw savings assumption	Free Ridership	Net Kwh Per Filed LRAM Claim	OPA 2007 EKC Calc or 2008 Measures List	Free Ridership	Adjusted Net kwh OPA 2008 Measures List
2006								
Residential								
Third Tranche	CFls 13/15w		106.7	10%		43	30%	
OPA EKC Spring	E Star CFl 15w		104	10%		43	30%	
	PTs		216	10%		159	10%	
OPA EKC Fall	E Star CFl 15w		104	10%		43	30%	
	PTs		216	10%		55	54%	
OPA EKC Fall	SLED Xmas Lights		45	5%		43	30%	
OTHER	Smart Meters							
GS<50kw								
Third Tranche Social Housing	CFls 13/15w		106.7	10%		43	30%	
OPA Affordable/Social Housing	CFls 13/15w		106.7	10%		43	30%	
Residential TOTAL 2006 kwh								
GS<50kw TOTALkwh								
2007								
Third Tranche	13/15 watt CFL		109.0	10%		43	30%	
EKC 2007	E Star CFl 15w		43	30%		43	30%	
	E Star CFL 20w+		62	22%		43	30%	
Cool Savings	PTs		55	54%		55	64%	
OTHER	Smart Meters							
Residential TOTAL 2007 kwh								
GS<50kw								
Third Tranche Social Housing	CFls 13/15w		106.7	10%		43	30%	
OPA Affordable/Social Housing	CFls 13/15w		106.7	10%		43	30%	
GS<50kw TOTALkwh								
2008								
Residential								
Third Tranche	CFls 13/15w		106.7	10%		43	30%	
OPA Cool Savings Rebate	PTs		54	54%		54	64%	
OTHER	CFLs							
TOTAL 2008 kwh								
2009								
Residential								
Third Tranche	CFls 13/15w		106.7	10%		43	30%	

OPA Cool Savings Rebate	PTs		54	54%		54	64%	
OTHER	Smart Meters							
TOTAL 2008 kwh								
TOTAL CUMULATIVE KWH SAVINGS								

b) Provide a revised version of the schedules provided in response to VECC IR #27 parts a and b) adjusted to reflect the OPA 2008/2009 measures and input assumptions list for CFLs and PTs and Smart meters provided in part a) of this IR.

Question #30

Reference: Exhibit 10/Tab1/Schedule2, page 3, Table 10-1
Exhibit 10/Tab1/Schedule 6, page 1, Table 10-4

a) Provide the revised Kwh, LRAM/SSM Rate rider calculations using the complete set of updated OPA assumptions from the 2008/2009 Measures List for the Residential and GS<50 kw Sector LRAM/SSM claims.

b) Provide Revised Bill impacts using the complete set of updated OPA assumptions from the 2008/2009 Measures List for the Residential Sector LRAM/SSM claims.

c) Comment on the timing/implementation of the Rate riders given the above revisions

Question #31

Reference: Exhibit 10/Tab 1/Schedule 1, Appendix A, pages 3 and 9
Brattle Group Report

Preamble:

EnerSpectrum Group believes that it is both consistent with the review of multiple TOU studies undertaken by Faruqui and Sergicil,(Brattle Group Report) and specifically the OEB's Smart Price Pilot, that a 4% reduction in energy consumption can be reasonably attributed to the 28,522 smart meters installed, combined with its customer education and awareness programs. Based on customer feedback, the education activities undertaken motivated them to behave as though they were already on TOU rates once a smart meter was installed.[emphasis added] Therefore it is reasonable to attribute some savings for LRAM purposes to all smart meters installed. This attribution recognizes that

the LDC was both an early promoter of conservation and implementer of smart meter technology.

a) Where did the Enerspectrum assumption of a 4% reduction in energy consumption of customers on TOU rates come from? The OEB Ottawa Hydro TOU study indicated 6%. Please explain/ comment.

b) Provide class data on the average number of CKHI customers with smart meters by rate year 2005-2009.

c) Provide class data on the average number of CKHI customers billed on Time of Use Rates by rate year. Please report separately those customers on the Pilot TOU program.

d) Please provide a schedule setting out the derivation of the kWh attributed to Smart Meters for 2007, 2008 and 2009 in Attachment B (page 9).

e) Explain why, for customers billed on gross kwh (as opposed to TOU basis) any conservation impact is documented/proven. Cite key references and sources.

f) Provide details of the calculation of claimed 4% LRAM adjustment.

g) Provide a calculation in the form of a schedule that reflects adjustment of the claimed 4% kwh reduction to reflect only the average number of customers billed on TOU rates in each year.

h) Comment on the Conclusions #2 and #3 of the Navigant Report at page 23 as reproduced below:

2. There was no discernable conservation effect observed when comparing the pilot participants' consumption in the pre‐TOU and TOU period and with the control group customers' consumption in the same periods, likely due to the earlier conservation efforts of these and other CK Hydro customers.

3. There were no statistically significant differences in the percentage of overall consumption by TOU period between the pilot participants and the control group during the pilot period.