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November 30, 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-2009-0272
Orangeville Hydro Limited – 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.

ORANGEVILLE HYDRO LIMITED 2010 RATE APPLICATION

EB-2009-0272

VECC'S INTERROGATORIES (ROUND #2)

(Note: Question numbering follows on from Round #1 and therefore starts at #43)

Question #43

Reference: VECC #2 and OEB Staff #48

- a) In response to OEB Staff #48 part c), Orangeville states that is seeking approval for a deferral account for costs associated with the preparation of its Green Energy Plan. The initial Application did not include a request for such an account. Please confirm whether Orangeville is formally requesting such a deferral account and, if so, address the following:
- Is Orangeville requesting a totally new deferral account or is it requesting authorization to use the deferral accounts created by the Board in its G-2009-0087 Guidelines (pages 5-7).
 - If this is totally new deferral account, please explain – i) precisely what types of costs Orangeville is proposing to record in the account; ii) the costs incurred to date; iii) why the accounts created by the Board are not suitable.
 - If Orangeville is requesting approval to use one/more of the accounts authorized by the Board, please explain - i) precisely what types of costs Orangeville is proposing to record in the account; ii) the costs incurred to date; iii) what account(s) Orangeville is proposing to use and iv) how the types of costs Orangeville proposes to record are consistent with the purpose of the accounts as described the OEB.
- b) The response to OEB #48, part a) states that Orangeville is seeking approval of the capital spending in its Green Energy Plan for the period 2010 to 2014 and approval of expenses from 2010 to 2011. What, in Orangeville's view, will the Board's approval of spending for the years after 2010 represent? For example, does it represent: i) authorization by the Board to spend the projected amounts and include them in rate base and to seek recovery of related amounts under Regulation 330/09, or ii) approval of a "plan" where any actual amounts spent will be subject to prudence review prior to inclusion in rate base and consideration for recovery under Regulation 330/09?

Question #44

Reference: VECC #4 b)

- a) Please confirm that the programs Green Pathways has been contracted to deliver are OPA programs and that none of the costs are included in the OM&A reported for 2009 or 2010 (per Exhibit 4, Table 1). If this is not the case please indicate the 2009 and 2010 amounts and the USOA account they are recorded in.

Question #45

Reference: Board Staff #7 and VECC #32 b)

- a) Please provide a revised version of VECC #32 b) with headings at the top of each column indicating what the values represent. Also, for each item please provide a cross-reference to the IR response where the issue is described.
- b) In response to Board Staff #7, Orangeville noted a required adjustment to its planned 2009 capital spending which will impact the forecast rate base for 2010. Please confirm that this adjustment should have been listed in response to VECC 32 b) and update the response accordingly.

Question #46

Reference: Board Staff #3 and SEC #4 a) & b)

- a) Please explain why the capital spending (net of capital contributions) included in the Application for 2010 (\$1,934,937 per Board Staff #3) is materially higher than the budget approved by Orangeville's Board of Directors (\$1,371,672 per SEC #4 a)).
- b) Please explain why the OM&A spending included in the Application (\$2,769,015 per Exhibit 4/Tab 1/Schedule 1, page 1) is materially higher than the budget approved by Orangeville's Board of Directors (\$2,497,563 per SEC #4 a)).

Question #47

Reference: VECC #13 and #22 a)

- a) The responses to parts 13 (a); (g) and (i) do not reconcile. Please provide a revised response to part (i) that indicates the total number of new connections

expected in 2009 and 2010 (i.e., the response will respectively include the 2009 and 2010 connections from parts (a) and (g) as well as any other connections for forecast for the year in question). Please ensure the response is consistent with VECC #22 a).

- b) With respect to the response to part 13 (d), what is the impact of this decision on the capital spending as submitted in the current application for 2009 and 2010? Should this change be reflected in Orangeville's response to VECC #32 b)?

Question #48

Reference: VECC #14 d) & e) and Staff #3

- a) Please confirm that the \$136,202 associated with Large Renewables is all for system expansion and assumed to be captured by the OEB requirement that distributors (and not generators) pay up to \$90,000/MW for system expansion required to connect renewable generation.
- b) Is there any direct benefit to Orangeville's rate payers from these new facilities? If so, please describe what it is.

Question #49

Reference: VECC #13 k) and #14 h)

- a) The response to VECC #14 h) suggests that Orangeville is forecasting contributed capital from the generators to pay for the 2010 capital costs of services and meters - \$52,404. However, the response to VECC #13 k) indicates accounts for all of the \$287,833 of contributed capital for 2010. Please reconcile and explain why, based on the response to VECC #14 h), there is no contributed capital assumed to be received from microFIT generators.

Question #50

Reference: VECC #21

- a) Regarding the response to VECC #21 c) why wasn't the same loss factor applied to these consumption adjustments as was used to convert the predicted purchases to billed energy (per Exhibit 3/Tab 2/Schedule 1, page 12)?
- b) Regarding the response to VECC #21 d) and e), please provide a copy of the referenced OPA Report and, if not included in the Report, clarify what is meant by "Gross Savings".
- c) Regarding the response to VECC #21 f), the response to OEB Staff #8 suggests that Orangeville's total peak is in the order of 40 MW. As a result, how can the 2009 savings from OPA programs be 331 MW for Residential and 410.56 MW for Commercial? Please update the savings estimate for 2009 and explain fully how it was determined. Please, if possible, also provide the MWh results for 2009.

Question #51

Reference: VECC #22

- a) Regarding the response to VECC #22 e), please explain fully how the CDM estimates for 2009 (783,114 kWh) and 2010 (787,775 kWh) were determined. In doing so, please also reconcile the Residential CDM values shown in here (e.g., 358,003 kWh for 2010 with the 342 kWh figure reported in VECC #21 e).
- b) Regarding the response to VECC #22 e), the manual adjustments shown for Table 6 and Table 16 are still both the same. The original question asked why this was the case when Table 6 was based on purchases by Orangeville and Table 16 was based on Orangeville's billed energy. Please reconcile.