KITCHENER WILMOT HYDRO INC.
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December 22, 2009

BY COURIER

Econalysis Consulting Services Inc.
34 King Street East, Suite 1102
TORONTO, ON M5C 2X8
Attn: William Harper

Re: EB Number: EB-2009-0267
Kitchener-Wilmot Hydro Inc. Response to VECC Interrogatories
2010 Electricity Distribution Rates, Licence No. ED-2002-0573

Dear Mr. Harper:

On November 16, 2009, Kitchener-Wilmot Hydro Inc. (KWHI) submitted its responses to Board Staff interrogatories as per the Board's Procedural Order #1 dated October 15, 2009. Subsequently, on December 2, 2009, the Board issued Procedural Order #2, allowing for the exchange of a supplemental set of interrogatories.

The second round of interrogatories were issued to KWHI by Board Staff and registered Intervenors per the Board's Order. KWHI now files its responses to those interrogatories.

A copy of this package has been electronically filed through the Ontario Energy Board's RESS system and emailed to the Board Secretary. The original has been couriered to the Board's offices.

Should you require any further information or clarification of any of the above, kindly contact the writer.

Respectfully submitted,

Original Signed by

J. Van Ooteghem, P.Eng. President & CEO

cc All Intervenors

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Michael Buonaguro

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Counsel for VECC
(416) 767-1666

December 10, 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-2009-0267
Kitchener-Wilmot 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.

KITCHENER-WILMOT HYDRO INC. - 2010 RATE APPLICATION

(EB-2009-0267)

VECC'S INTERROGATORIES (ROUND #2)

(Note: The question numbering continues from Round #1)

Question #46

Reference: VECC #9 c)

a) In its response Kitchener Wilmot has revised the 2010 Capital Spending associated with the Installation of Large Commercial and Industrial Services from $234,000 to $270,000. Does this correction impact the proposed rate base for 2010? If so, please update Tables 10 and 16 in Exhibit 2 of the Main Application.

Response

KW Hydro does not plan to change the proposed rate base for 2010 resulting from the change noted above due to the immaterial nature on revenue.

Question #47

Reference: VECC #10

a) Please indicate the number of pole replacements undertaken in 2008 and 2009 and the number proposed for 2010.

Response

2008 – 154
2009 – 163
2010 – 221

Note: The replacement of an additional 46 poles had to be deferred to 2010 when resources were diverted to servicing new customers and relocating poles for road works.

Question #48

Reference: VECC #12 a)

a) Please provide a schedule that sets out for 2007-2010 the number of transformers purchased in each year and the number issued from inventory.

Response

The table below shows actual quantities to the end of 2009 and estimates for 2010. Note that the purchase and use of three phase padmount transformers in latter years reflects a decrease in the # of units purchased (as one three phase unit replaces three, single phase units).

Transformers Issued / Purchased - 2007 thru 2010

2007	Purchased	Issued from Inventory
Type	Qty	Qty
Commercial	30	27
Overhead	67	132
Submersible	131	206
	228	365

2008	Purchased	Issued from Inventory
Type	Qty	Qty
Commercial	28	46
Overhead	43	88
Submersible	224	123
	295	257

2009	Purchased	Issued from Inventory
Type	Qty	Qty
Commercial	9	19
Overhead	15	103
Submersible	7	113
	31	235

2010	Purchased	Issued from Inventory
Type	Qty	Qty
Commercial	25	25
Overhead	124	124
Submersible	100	100
Network	2	2
	251	251

Question #49

Reference: VECC #14 a) and c)

a) Please confirm that the table provided in response to #14 c) replaces distribution revenues by customer class provided in both Tables 1 and 24 of the Exhibit 2.

Response

Confirmed. The values by rate class in Tables 1 & 24 of Exhibit 3 in the original filings were based on the assumption that the same revenue to cost ratios would be maintained.

Question #50

Reference: VECC #15 a) to c)

a) What is the basis for the historical population values for the period after 2006 and what is the basis for the population forecast used?

Response

The Planning Department of the Regional Municipality of Waterloo produces a number of useful planning reports for use by local planners. Every five years, it publishes a statistical profile that includes the populations of the Township of Wilmot and the City of Kitchener as reported by Canada Census (Statistics Canada conducts a Census every five years, last one was 2006). From this information, the population in KW Hydro's service area for the years 1976, 1981, 1986, 1991, 1996, 2001 and 2006 can be determined and growth rates calculated. This data is the basis for KW Hydro's historical population and growth data.

In 2006, the Planning Department produced a report which forecast the population growth from 2001 to 2031 as a guide for local infrastructure planners. Based on information from the Regional Official Plan and the Provincial Growth Plan for the Golden Horseshoe, this report included population forecasts for KW Hydro's service area. This data is the basis for our forecast population and growth data.

Question #51

Reference: VECC #17 e) & f)

a) Given the revised CDM savings from Enerspectrum, does Kitchener Wilmot see any need to update the forecast reduction in average use for Residential and GS<50 classes? If yes, what is the revised forecast? If not, why not?

Response

Please refer to Board Staff Interrogatory #30 regarding the Economic Update for 2009 and 2010. Although Enerspectrum's CDM savings were different from KW Hydro's, KW Hydro finds that its 2009 own customer count estimates were higher than actual, probably due in part to the poor economy in its service territory. Average use is higher but it appears to be offset by the lower actual customer count for 2009. KW Hydro does not expect a need to change its load forecast as it does not expect material differences.

Question #52

Reference: VECC #21 a), b) and c)

a) Please check and confirm the reported calculations for items #12, #15 and #16. For example for Item #12 - Administration Costs specific to Overheads -as set out the formula appears to yield item #8 – the Capital Cost of Line.

Response

Revisions below (during the copying of formulas, this one must have been missed):

- **(12) Administration Costs specific to Overhead – ((11/ 1) * (8 / 7)) * 1**

The calculations for #15 & #16 are correct.

b) The response to part c) suggests that General Plant is included in the asset costs used. However, Account #1855 is for Services not General Plant. Please reconcile.

Response

Table 28 does not assign a portion of General Plant (OEB accounts 1905 – 1955) cost to the Embedded Distributor. The original formula used by the former Ontario Hydro did not include these costs in the calculation of the rates for an Embedded Distributor.

Question #53

Reference: VECC #23 a) and Board Staff #11

a) What was the level of funding provided to the Heat Bank program in 2009 and does Kitchener Wilmot propose to continue its funding of the Heat Bank program in 2010?

Response

KW Hydro provided $16,000 in funding to the Heat Bank program in 2009 and has approved funding of $18,000 for 2010.

b) If the response to part (a) is yes, does the proposed OM&A include funding for the Heat Bank program separate from the allowance for the Board's LEAP program?

Response

The proposed OM&A does include the funding for the Heat Bank program and is separate from the allowance for the Board's LEAP program.

Question #54

Reference: VECC #25 c) and e)

a) With respect to VECC #25 c), the SEC interrogatories referenced in the response do not address the question posed. Please provide a response.

Response

There were three resignations in 2008 which generated a savings of $115,204. For 2009, the savings generated were $205,822.

Note that real savings were not generated; however, as back filling and increased OT were required.

b) With respect to VECC #25 e), please confirm that the 2010 budget assumes the vacant position are filled and includes the associated staff costs. Also, does the budget assume these staff will be in place for the full year?

Response

KW Hydro has now filled its staff vacancies in 2009. The 2010 budget does assume that the staff will be in place for the full year 2010.

c) Based on the response to VECC #25 e), does Kitchener Wilmot now propose to reduce its staffing costs for 2010 to reflect unfilled positions during the year? If not, why not?

Response

As discussed in SEC Interrogatory #4, most of the overtime costs incurred are non-discretionary and outside the control of KW Hydro and as such, the amount of overtime worked is not expected to decline significantly. Furthermore, the new Powerline Technician hires are apprentices. This limits the work they can perform until they become fully trained. Hence, they are not qualified to perform much of the emergency repair work, which will continue to be performed by Journeypersons or with the assistance of a Journeyperson.

There are actually increased labour costs incurred while apprentices are being trained in the field and can work without supervision as Journeypersons. Hence, any cost savings due to a reduction in planned overtime is expected to be offset by an increase in costs for on-the-job apprentice training.

Question #55

Reference: VECC #28 b) and Board Staff #13 b)

a) With respect to Board Staff #13 b), please explain the basis for the revised cost ($302,000) of the Application. In particular why is the $74,000 included in the Application for 2010 considered incremental to the $228,000 estimated total cost as set out in VECC #28 b).

Response

In the original application, KW Hydro estimated that its rebasing costs would be $228K; however, $74K that had been allotted for an oral hearing was omitted and hence the $74K was included in 2010 OM&A. Thus, the actual estimated rebasing cost should have been $302K ($228K plus $74K).

Since this application is to be dealt with through a written hearing and, in the absence of an oral hearing or technical conference, the $74K allotted for an oral hearing is not needed and the $228K original estimate can be used. The $74K would then be removed from 2010 OM&A as it will not be spent.

2010 rebasing costs will remain unchanged from the original application at $228K and thus be $57K per year over four years as long as this rates case hearing remains written.

Question #56

Reference: VECC #29 a)

a) Please confirm that the 2010 depreciation calculation set out in the response does not reflect the ½ year rule for 2010 capital additions.

Response

Confirmed. Depreciation expense was not calculated reflecting the ½ year rule. See Board Staff Interrogatory #28 for further discussion.

b) Please recalculate Kitchener Wilmot's 2010 depreciation expense utilizing the ½ year rule for 2010 capital additions.

Response

If the half-year rule were applied to 2010 capital additions, the 2010 depreciation expense would be $10,881,778, a reduction to depreciation expense of $517,066.

KW Hydro does not support this methodology. See Board Staff interrogatory #28.

Question #57

Reference: VECC #32 e) and f)

a) The response provided used 2010 rates; whereas the question requested calculations based on 2009 rates excluding various charges. Please re-do as requested.

Response

The following table shows revenues net of the transformer ownership allowance, smart meter funding adder and SSS Administration charges.

2010 Throughput Revenue at Existing 2009 Rates

	Fixed Rate	Variable Rate	Number of Customers	kWh / kW Sales	Fixed Charge	Variable Charge	Transformer Allowance kW	$$$ Transformer Allowance	Base Revenue
Residential	$ 9.55	$ 0.0123	78,139	650,038,341	$ 8,954,729	$ 7,995,472	N/A	N/A	$ 16,950,201
GS < 50	$ 25.17	$ 0.0090	7,484	235,461,608	$ 2,260,467	$ 2,119,154	N/A	N/A	$ 4,379,622
GS > 50	$ 232.71	$ 3.5202	1,003	2,231,346	$ 2,800,898	$ 7,854,784	1,039,843	**($623,906)**	$ 10,031,776
Large User *	$14,195.83	$ 1.4316	2	140,928	$ 340,700	$ 201,753	140,928	**($84,557)**	$ 457,896
Street Lighting	$ 0.78	$ 4.3948	23,299	46,815	$ 218,079	$ 205,743	N/A	N/A	$ 423,821
Unmetered Scattered Load	$ 12.59	$ 0.0090	820	3,287,380	$ 123,886	$ 29,586	N/A	N/A	$ 153,472
Total 2010 Throughput Revenue					$ 14,698,758	$18,406,492		**($708,463)**	**$ 32,396,788**
2010 Throughput Revenue Requirement									**$ 39,262,515**
Total 2010 Revenue Deficiency									**($6,865,727)**

* Note the Large User kW eligible for the transformer allowance does not equal 198,928 kW as shown elsewhere in the rate application. This is due to the decrease of total kW expected from the Large Use class to 140,928 kW

b) Please confirm whether customers in the Large User class received a transformer allowance discount off the approved volumetric rate in 2009 and reconcile the response to VECC #32 f) with Table 30 in Exhibit 3.

Response

In 2009, all Large Use customers received a transformer ownership allowance discount. For 2010, KW Hydro has proposed to change which customers are eligible to receive this discount. On page 58 of Exhibit 3, KW Hydro proposed to apply the Transformer Ownership Allowance Credit to only those customers who own a transformer under 1,500 kVa based on KW Hydro's Conditions of Service document. Under this proposal, Large Use customers will no longer be eligible to receive the transformer ownership allowance.

Note the response to VECC #32 f) shows an annual allowance to customers of $426,772 as does Table 30 from Exhibit 3.

Question #58

Reference: VECC #32 g)

a) For each item, please provide a cross reference to the relevant IR response.

Response

- **Board Staff #12 - Remove LEAP donations (decrease distribution expenses $46,976)**
- **Board Staff #14 - Remove Rebasing Expenses for Hearings (decrease distribution expenses $74,000)**
- **Energy Probe #21 - Remove IFRS expenses to deferral account (decrease distribution expenses $43,000)**
- **Board Staff #9 - Gross up revenue from Street Lighting and adjust rate of return (increase revenue offset** $110,284 (adjusted from round 1 of interrogatories – refer to Energy Probe interrogatory #51)**)**
- **Energy Probe #18 - Increase revenue for Specific Service Charges to annual figure (increase revenue offset by $11,113)**
- **Energy Probe #36 - Decrease PILS for new tax rates effective July 1, 2010 - $18,750**
- **Board Staff #15 - Decrease Ontario Capital Tax $111,085**
- **Board Staff #16 - Increase Apprentice Tax Credit $75,000**
- **Energy Probe #30 - Record Co-operative Education Tax Credit $6,000**

b) Is Kitchener Wilmot now requesting a deferral account to record Rebasing Expenses for its 2010 Rate Application?

Response

No, however, if the Board determines that it is necessary to run its rebasing costs through a deferral account, KW Hydro will do so. To date, KW Hydro has been using OEB account 1180- Prepaid Expenses – to record its rebasing costs to be amortized over 4 years beginning in 2010.

c) Please update the response based as required based on the responses to the 2nd round of interrogatories.

Response

- **From Energy Probe 51 a) - Gross up revenue from Street Lighting and adjust rate of return (increase revenue offset by** $110,284 **(adjusted from round 1 of Board Staff interrogatories #9)**
- **Energy Probe #49 b) Federal Apprenticeship Tax Credit $16,000 (8 apprentices @ $2,000)**
- **Energy Probe #44 – Increase 2010 Late Payment charges to $215,220 (increase to revenue $14,820)**
- **The above changes will reduce PILS expense by $52,333. This figure is incremental to the tax changes noted above in VECC interrogatories #58 a) and #58 c).**

Question #59

Reference: VECC #33 a)

a) The response is still incorrect as the "cost" of the transformer allowance has not been removed from the revenue requirement that is allocated to customer classes. Please revise.

Response

See revised file provided on CD named KitchenerWilmot_VECC_IRR_Q33_20091211.xls

Question #60

Reference: VECC #34 f) & g)

a) Please provide a schedule that shows how the revenues reported in Exhibit 6, Table 4 were used to determine the revenues by customer class for the column "Test Year Revenue Assuming Current Revenue to Cost Ratios".

Response

See below

Throughput Revenue at Existing 2009 Rates								
	Fixed Rate	Variable Rate	Number of Customers	kWh / kW Sales	Fixed Charge	Variable Charge	Base Revenue (1)	Revenue Assuming Current Revenue to Cost Ratios (1 / 2) * 3
Residential	$ 9.55	$ 0.0123	78,139	650,038,341	$ 8,954,729	$ 7,995,472	$ 16,950,201	$ 20,102,779
GS < 50	$ 25.17	$ 0.0090	7,484	235,461,608	$ 2,260,467	$ 2,119,154	$ 4,379,622	$ 5,194,190
GS > 50	$ 232.71	$ 3.5202	1,003	2,231,346	$ 2,800,898	$ 7,854,784	$ 10,655,682	$ 12,637,538
Large User	$14,195.83	$ 1.4316	2	140,928	$ 340,700	$ 201,753	$ 542,452	$ 643,343
Street Lighting	$ 0.78	$ 4.3948	23,299	46,815	$ 218,079	$ 205,743	$ 423,821	$ 502,648
Unmetered Scattered Load	$ 12.59	$ 0.0090	820	3,287,380	$ 123,886	$ 29,586	$ 153,472	$ 182,016
Total Throughput Revenue (2)					$ 14,698,758	$ 18,406,492	$ 33,105,250	$ 39,262,515
Throughput Revenue Requirement (3)							$ 39,262,515	
Total Revenue Deficiency							($6,157,265)	

Question #61

Reference: VECC #34 n)

a) Please re-do the response with the Base Distribution Revenues distributed across the customer classes in accordance with the revised response to VECC #32 e) as requested in Question #57 a).

Response

See revised file provided on CD named KitchenerWilmot_VECC_IRR_Q61_20091217.xls

Question #62

Reference: VECC #40, part (f) tables- Energy Conservation Kit, Fall Discount Coupon, SHSC Energy Management, Cool Shops

a) Provide the basis of the numbers at the lines titled "Element No:". If it is kwh/year for the measure confirm this or if not, explain what the value represents.

Response

"Element No." represents the line item on the table that represents the specific measure being used. For example: 11W CFL on the OEB Tables is Element No. 15.

b) Provide the exact source(s) (e.g. 2009 OPA Measures List page #) of the numbers in the line Element No:

Response

See the following source tables used:

- **OPA Measures and Assumptions**
- **OEB Tables**

c) Provide the Source(s) of the values in the Free Ridership assumptions lines in each table

Response

Free ridership is provided for each line item on the assumption tables provided in VECC Interrogatory #62 b).

Question #63

Reference: VECC #41, parts (e) and (h)

Preamble: The question asked was e) Provide a Copy of the 2006 and 2007 OPA Every Kilowatt Counts Program Calculators. The response did not provide the requested information.

a) Provide copies of the 2006 and 2007 OPA EKC Program Calculators prepared by Seeline for OPA

Response

The following table is the 2006 OPA EKC Program Calculator as prepared by Seeline and provided to KW Hydro by the OPA:

TOTAL RESOURCE COST TEST CALCULATOR

2006 Summer Every KiloWatt Counts Campaign

Part 1. Enter Data Here (in yellow shaded area: cells C22 and C26:C30)

LDC Information	
Discount Rate	4.00%

Products Sold	
CFLs	1,338,276
Ceiling Fans	12,415
Timers	37,518
Program Thermostats	16,320
Program Costs	$5,318,155

Part 2. Results by Technology

Total Resource Cost Test Results by Technology (2007 $'s)							
Technology	*TRC Benefits*	*TRC Costs*	*TRC Net Benefits*	*TRC Benefit Cost Ratio*	*Summer Peak kW Savings*	*Net Annual kWh Savings*	*Net Lifecycle kWh Savings*
CFLs	$29,746,946	$2,710,009	$27,036,937	10.98	-	125,325,265	501,301,060
Ceiling Fans	$1,963,957	$279,338	$1,684,620	7.03	159.41	1,570,994	31,419,882
Timers	$7,424,336	$422,078	$7,002,258	17.59	-	6,162,332	123,246,630
Programmable Thermostats	$4,071,010	$954,720	$3,116,290	4.26	734.40	3,202,080	57,637,436

Part 3. Program Results

Total Resource Cost Test Results for Program (2007 $'s)	
TRC Benefits	$43,206,249
TRC Costs	$9,684,299
TRC Net Benefits	$33,521,950
Benefit Cost Ratio	4.46
Total Summer Peak kW Savings	893.81
Total Annual kWh Savings	136,260,670
Total Lifecycle kWh Savings	713,605,008

SeeLine Group Ltd.

As per the OPA, the 2007 campaign final results were calculated by an external EMV program evaluator. The best source for input assumptions are the comprehensive 2006-2008 results breakdown by LDC file which the OPA has provided to us. It is a large file and is provided on the CD accompanying the hard copy. The file name is *2006-2008 OPA Conservation Results.Kitchener-Wilmot Hydro Inc..xls.*

Question #64

Reference: VECC #43, part a)

Preamble: The response refers to IRR #40 (f) (which should be VECC IRR #40(a)?) and is not a complete answer. Other Independent Evaluators e.g. Indeco have completed the Table as requested.

a) Complete/revise /modify the Table template in the format provided [Note in particular the Schedule provided in response to VECC IRR#40 (a) does not include # participants]

Response

See table below provided by Enerspectrum.

Program	Efficient Measure	Participants	As Filed	Free	Net Kwh (per unit)	Free	Adjusted Net kwh
		As filed	unit kwh savings assumption	Ridership	Per Filed	Ridership	OPA 2008 Measures List
					LRAM Claim		
2005							
Residential							
Third Tranche	CFls 13/15w	4,214.00	106.7	10%	39	30%	
2006							
Residential							
Third Tranche	CFls 13/15w	-	106.7	10%		30%	
OPA EKC Spring	E Star CFl 15w	21,409.00	104	10%	104	30%	
	PTs	261.00	216	10%	216	10%	
OPA EKC Fall	E Star CFl 15w	31,744.00	104	10%	104	30%	
	PTs	504.00	216	10%	522	54%	
OPA EKC Fall	SLED Xmas Lights	7,641.00	45	5%	31	30%	
OTHER	CFLs	-					
GS<50kw							
Third Tranche Social Housing	CFls 13/15w	-	106.7	10%		30%	
OPA Affordable/Social Housing	CFls 13/15w	-	106.7	10%		30%	
2007							
Third Tranche	13/15 w att CFL	-	109	10%		30%	
EKC 2007	E Star CFl 15w	38,188.00	43	30%	43	30%	
	E Star CFL 20w +	6,217.00	62	22%	62	30%	
Cool Savings	PTs	722.00	55	54%	55	64%	
OTHER	CFLs						
Third Tranche Social Housing	CFls 13/15w	-	106.7	10%		30%	
OPA Affordable/Social Housing	CFls 13/15w	-	106.7	10%		30%	
2008							
Residential							
Third Tranche	CFls 13/15w	-	106.7	10%		30%	
OPA Cool Savings Rebate	PTs	755.00	54	54%	55	64%	
OTHER	CFLs	-					
TOTAL CUMULATIVE KWH SAVINGS							

b) Reconcile the result with the Table provided in response to VECC IRR #40(a)

Response

The data provided in the answer to VECC interrogatory #64 a) is not in the same groupings as the table provided in VECC #40 a). In addition, the table provided in VECC Interrogatory #40 a) covers more programs that does the table provided above in VECC Interrogatory #64 a). A full reconciliation cannot be performed based on the differences between the two tables.

Question #65

Reference: VECC #45, part (b)

a) Provide a Copy of the Navigant Report referenced in the answer.

Response

The Navigant Report is attached as:
VECC_Interrogatory 65 2007 EKC Evaluation Report.pdf.

Question #66

Reference: Addendum - EnerSpectrum Letter

Preamble: "Accompanying this letter are the revised Attachments submitted to you as part of the LRAM SSM documentation prepared for Kitchener-Wilmot Hydro".

a) Please provide a Copy of the referenced Attachments

Response

The referenced attachments are attached on CD under the file names:
Attachment A-D - LRAM Application KWHI.xls
Attachment E - Assumptions by program KWHI.xlsx

Question #67

Reference: Addendum - EnerSpectrum Letter, page 2, Table

a) Provide full details of the change in the Residential third tranche LRAM claim from $122,395.29 to $90,572.40, including a reconciliation to the attachments to VECC IRR #40 (a) and VECC IRR #40(e)).

Response

EnerSpectrum Group has taken the action to recalculate the LRAM amounts to be consistent with Decision Order EB-2009-0192 (Horizon Utilities) as stated in the Addendum Letter.

"*... utilities should always use the most current input assumptions which have been adopted by the Board when preparing their applications because these assumptions represent the best estimate of the impact of the programs.*"

The original Residential third tranche LRAM claim submitted was $122,395.29. When EnerSpectrum revised LRAM Calculations to reflect the new OPA Tables, errors were found and corrected at the same time. Errors to the original submission that would affect the LRAM claim for Residential Third Tranche programs were as follows:

1. **2005 Distribution Rates came into effect May 1 and all other years were implemented April 1, Attachment B 2006 Revenue was revised to reflect this.**
2. **Energy Conservation Kits – Weather stripping: Tables are based on qty 10 per package. KWHI distributed 1100 rolls; therefore the quantity input into the TRC was revised to 110.**
3. **Fall Discount Coupon Program: Space heating and Space cooling were split up to use separate line items in the tables.**

With these errors corrected, the original LRAM claim for Residential Third Tranche using OEB Assumption tables should have been $102,497.03. EnerSpectrum then corrected the LRAM Calculations to reflect the new OPA Assumptions and Measures tables that were released in April 2009. Based on the revised calculations the LRAM Claim for Residential Third Tranche Programs should be $90,572.40.

A reconciliation of both sets of numbers can be found below.

ORIGINAL LRAM CLAIM USING OEB ASSUMPTIONS AND MEASURES TABLES

Foregone Revenue by Class and Program

Kitchner-Wilmot Hydro Programs

Class / Program	Year Implemented	2006 Load Unit	2006 kWh or kW	2006 Rate per Unit	2006 Revenue	2007 Load Unit (kWh)	2007 kWh or kW	2007 Rate per Unit	2007 Revenue	2008 Load Unit (kWh)	2008 kWh or kW	2008 Rate per Unit	2008 Revenue	2009 Load Unit (kWh)	2009 kWh or kW	2009 Rate per Unit	2009 Revenue	Total Revenue
RESIDENTIAL																		
Fuel Switching (Residential)	**2006**		**kWh**	**0.0123**	**$0.00**	**1,212,920.00**	**kWh**	**0.0124**	**$14,999.78**	**1,212,920.00**	**kWh**	**0.0123**	**$14,959.35**	**1,212,920.00**	**kWh**	**0.0123**	**$14,918.92**	**$44,878.04**
Fall Discount Coupon Program	**2005**	**472,411.08**	**kWh**	**0.0123**	**$5,794.91**	**472,411.08**	**kWh**	**0.0124**	**$5,842.15**	**472,411.08**	**kWh**	**0.0123**	**$5,826.40**	**472,411.08**	**kWh**	**0.0123**	**$5,810.66**	**$23,274.12**
Ceiling Fan		5,091.66	kWh	0.0123	$62.46	5,091.66	kWh	0.0124	$62.97	5,091.66	kWh	0.0123	$62.80	5,091.66	kWh	0.0123	$62.63	$250.85
CFL 15W		292,591.44	kWh	0.0123	$3,589.12	292,591.44	kWh	0.0124	$3,618.38	292,591.44	kWh	0.0123	$3,608.63	292,591.44	kWh	0.0123	$3,598.87	$14,415.00
Indoor Light Timers		4,531.23	kWh	0.0123	$55.58	4,531.23	kWh	0.0124	$56.04	4,531.23	kWh	0.0123	$55.89	4,531.23	kWh	0.0123	$55.73	$223.24
SLED 5W		11,644.07	kWh	0.0123	$142.83	11,644.07	kWh	0.0124	$144.00	11,644.07	kWh	0.0123	$143.61	11,644.07	kWh	0.0123	$143.22	$573.66
SLED Mini		4,456.37	kWh	0.0123	$54.66	4,456.37	kWh	0.0124	$55.11	4,456.37	kWh	0.0123	$54.96	4,456.37	kWh	0.0123	$54.81	$219.55
Outdoor Timers		39,157.20	kWh	0.0123	$480.33	39,157.20	kWh	0.0124	$484.24	39,157.20	kWh	0.0123	$482.94	39,157.20	kWh	0.0123	$481.63	$1,929.14
Programmable Thermostat - Space Cooling		25,198.91	kWh	0.0123	$309.11	25,198.91	kWh	0.0124	$311.63	25,198.91	kWh	0.0123	$310.79	25,198.91	kWh	0.0123	$309.95	$1,241.47
Programmable Thermostat - Space Heating		89,740.19	kWh	0.0123	$1,100.81	89,740.19	kWh	0.0124	$1,109.79	89,740.19	kWh	0.0123	$1,106.80	89,740.19	kWh	0.0123	$1,103.80	$4,421.20
Energy Conservation Kits	**2005**	**697,121.91**	**kWh**	**0.0123**	**$8,551.36**	**697,121.91**	**kWh**	**0.0124**	**$8,621.07**	**697,121.91**	**kWh**	**0.0123**	**$8,597.84**	**697,121.91**	**kWh**	**0.0123**	**$8,574.60**	**$34,344.87**
CFL 15W		103,356.00	kWh	0.0123	$1,267.83	103,356.00	kWh	0.0124	$1,278.17	103,356.00	kWh	0.0123	$1,274.72	103,356.00	kWh	0.0123	$1,271.28	$5,092.01
Showerhead		540,000.00	kWh	0.0123	$6,624.00	540,000.00	kWh	0.0124	$6,678.00	540,000.00	kWh	0.0123	$6,660.00	540,000.00	kWh	0.0123	$6,642.00	$26,604.00
Weatherstripping		53,765.91	kWh	0.0123	$659.53	53,765.91	kWh	0.0124	$664.91	53,765.91	kWh	0.0123	$663.11	53,765.91	kWh	0.0123	$661.32	$2,648.87
																		$102,497.03

REVISED LRAM CLAIM USING 2009 OPA ASSUMPTIONS AND MEASURES TABLES

Foregone Revenue by Class and Program

Class / Program	Year Implemented	2006 Load Unit	2006 kWh or kW	2006 Rate per Unit	2006 Revenue	2007 Load Unit	2007 kWh or kW	2007 Rate per Unit	2007 Revenue	2008 Load Unit	2008 kWh or kW	2008 Rate per Unit	2008 Revenue	2009 Load Unit	2009 kWh or kW	2009 Rate per Unit	2009 Revenue	Total Revenue
Third Tranche																		
RESIDENTIAL																		
Fuel Switching (Residential)	**2006**					**1,212,920**	**kWh**	**0.0124**	**$14,999.78**	**1,212,920**	**kWh**	**0.0123**	**$14,959.35**	**1,212,920**	**kWh**	**0.0123**	**$14,918.92**	**$44,878.04**
Fall Discount Coupon Program	**2005**	**290,800**	**kWh**	**0.0123**	**$3,569.57**	**290,800**	**kWh**	**0.0124**	**$3,596.22**	**290,800**	**kWh**	**0.0123**	**$3,586.53**	**290,800**	**kWh**	**0.0123**	**$3,576.84**	**$14,329.15**
Ceiling Fan		5,092	kWh	0.0123	$62.50	5,092	kWh	0.0124	$62.97	5,092	kWh	0.0123	$62.80	5,092	kWh	0.0123	$62.63	$250.89
CFL 15W		121,072	kWh	0.0123	$1,486.16	121,072	kWh	0.0124	$1,497.26	121,072	kWh	0.0123	$1,493.23	121,072	kWh	0.0123	$1,489.19	$5,965.84
Indoor Light Timers		4,531	kWh	0.0123	$55.62	4,531	kWh	0.0124	$56.04	4,531	kWh	0.0123	$55.89	4,531	kWh	0.0123	$55.73	$223.28
SLED 5W		35,198	kWh	0.0123	$432.05	35,198	kWh	0.0124	$435.28	35,198	kWh	0.0123	$434.10	35,198	kWh	0.0123	$432.93	$1,734.36
SLED Mini		4,456	kWh	0.0123	$54.70	4,456	kWh	0.0124	$55.11	4,456	kWh	0.0123	$54.96	4,456	kWh	0.0123	$54.81	$219.59
Outdoor Timers		5,512	kWh	0.0123	$67.65	5,512	kWh	0.0124	$68.16	5,512	kWh	0.0123	$67.98	5,512	kWh	0.0123	$67.79	$271.58
Programmable Thermostat - Space Cooling		25,199	kWh	0.0123	$309.32	25,199	kWh	0.0124	$311.63	25,199	kWh	0.0123	$310.79	25,199	kWh	0.0123	$309.95	$1,241.68
Programmable Thermostat - Space Heating		89,740	kWh	0.0123	$1,101.56	89,740	kWh	0.0124	$1,109.79	89,740	kWh	0.0123	$1,106.80	89,740	kWh	0.0123	$1,103.80	$4,421.95
Energy Conservation Kits	**2005**	**636,534**	**kWh**	**0.0123**	**$7,813.45**	**636,534**	**kWh**	**0.0124**	**$7,871.80**	**636,534**	**kWh**	**0.0123**	**$7,850.58**	**636,534**	**kWh**	**0.0123**	**$7,829.37**	**$31,365.21**
CFL 15W		42,768	kWh	0.0123	$524.98	42,768	kWh	0.0124	$528.90	42,768	kWh	0.0123	$527.47	42,768	kWh	0.0123	$526.05	$2,107.39
Showerhead		540,000	kWh	0.0123	$6,628.50	540,000	kWh	0.0124	$6,678.00	540,000	kWh	0.0123	$6,660.00	540,000	kWh	0.0123	$6,642.00	$26,608.50
Weatherstripping		53,766	kWh	0.0123	$659.98	53,766	kWh	0.0124	$664.91	53,766	kWh	0.0123	$663.11	53,766	kWh	0.0123	$661.32	$2,649.32
																		$90,572.40

b) Provide full details of the change (Increase) in the third tranche GS< 50kw LRAM claim from $7,944.05 to $24,775.97, including a reconciliation to the attachments to VECC IRR #40 (a) and VECC IRR #40(e))

Response

The original GS< 50kw third tranche LRAM claim submitted was $7,944.05. When EnerSpectrum revised the LRAM Calculations to reflect the new OPA Tables, errors were found and corrected at the same time. Errors to the original submission that would affect the LRAM claim for GS< 50kw programs were as follows:

1. **Cool Shops: Attachment B was revised to calculate Revenue based on kWh (instead of kW used prior).**

With these errors corrected, the original LRAM claim for GS< 50kw Third Tranche using OEB Assumption tables should have been $28,672.90.

EnerSpectrum then corrected the LRAM Calculations to reflect the new OPA Assumptions and Measures tables that were released in April 2009. Based on the revised calculations the LRAM GS< 50kw Third Tranche Programs should be $24,775.97.

A reconciliation of both sets of numbers can be found below.

ORIGINAL LRAM CLAIM USING OEB ASSUMPTIONS AND MEASURES TABLES																				
GENERAL SERVICE (< 50 kW Demand)																				
Social Housing Lighting Upgrade	**2006**		**kWh**	**0.0091**	**$0.00**	**92,439.00**	**kWh**	**0.0091**	**$841.19**	**92,439**	**kWh**	**0.0090**	**$835.03**	**92,439**	**kWh**	**0.0090**	**$831.95**	**$2,508.18**	
Refigerator Replacement	**2007**		**kWh**	**0.0091**	**$0.00**		**kWh**	**0.0091**	**$0.00**	**19,980**	**kWh**	**0.0090**	**$180.49**	**19,980**	**kWh**	**0.0090**	**$179.82**	**$360.31**	
SHSC Energy Management	**2005**	**140,240.89**	**kWh**	**0.0091**	**$1,266.84**	**140,240.89**	**kWh**	**0.0091**	**$1,276.19**	**140,241**	**kWh**	**0.0090**	**$1,266.84**	**140,241**	**kWh**	**0.0090**	**$1,262.17**	**$5,072.05**	
Motion Detector		17,100.72	kWh	0.0091	$154.48	17,100.72	kWh	0.0091	$155.62	17,101	kWh	0.0090	$154.48	17,101	kWh	0.0090	$153.91	$618.48	
Smart Thermostat		120,093.49	kWh	0.0091	$1,084.84	120,093.49	kWh	0.0091	$1,092.85	120,093	kWh	0.0090	$1,084.84	120,093	kWh	0.0090	$1,080.84	$4,343.38	
T8 Fixtures		3,046.68	kWh	0.0091	$27.52	3,046.68	kWh	0.0091	$27.72	3,047	kWh	0.0090	$27.52	3,047	kWh	0.0090	$27.42	$110.19	
Cool Shops	**2006**					**764,092.22**	**kWh**	**0.0091**	**$6,953.24**	**764,092**	**kWh**	**0.0090**	**$6,902.30**	**764,092**	**kWh**	**0.0090**	**$6,876.83**	**$20,732.37**	
11W CFL						11,902	kWh	0.0091	$108.30	11,902	kWh	0.0090	$107.51	11,902	kWh	0.0090	$107.11	$322.93	
15W CFL						482,274	kWh	0.0091	$4,388.69	482,274	kWh	0.0090	$4,356.54	482,274	kWh	0.0090	$4,340.47	$13,085.70	
LED Exit Sign						269,917	kWh	0.0091	$2,456.24	269,917	kWh	0.0090	$2,438.25	269,917	kWh	0.0090	$2,429.25	$7,323.74	**$28,672.90**

REVISED LRAM CLAIM USING OEB ASSUMPTIONS AND MEASURES TABLES																			
GENERAL SERVICE (< 50 kW Demand)																			
Low Income Program - Social Housing Lighting	**2006**					**92,439**	**kWh**	**0.0091**	**$841.19**	**92,439**	**kWh**	**0.0090**	**$835.03**	**92,439**	**kWh**	**0.0090**	**$831.95**	**$2,508.18**	
Refigerator Replacement	**2007**									**18,576**	**kWh**	**0.0090**	**$167.80**	**18,576**	**kWh**	**0.0090**	**$167.18**	**$334.99**	
SHSC Energy Management	**2005**	**33,176**	**kWh**	**0.0091**	**$300.25**	**33,176**	**kWh**	**0.0091**	**$301.91**	**33,176**	**kWh**	**0.0090**	**$299.69**	**33,176**	**kWh**	**0.0090**	**$298.59**	**$1,200.43**	
Motion Detector		17,101	kWh	0.0091	$154.76	17,101	kWh	0.0091	$155.62	17,101	kWh	0.0090	$154.48	17,101	kWh	0.0090	$153.91	$618.76	
Smart Thermostat		13,029	kWh	0.0091	$117.91	13,029	kWh	0.0091	$118.56	13,029	kWh	0.0090	$117.70	13,029	kWh	0.0090	$117.26	$471.43	
T8 Fixtures		3,047	kWh	0.0091	$27.57	3,047	kWh	0.0091	$27.72	3,047	kWh	0.0090	$27.52	3,047	kWh	0.0090	$27.42	$110.24	
Cool Shops	**2006**					**764,092**	**kWh**	**0.0091**	**$6,953.24**	**764,092**	**kWh**	**0.0090**	**$6,902.30**	**764,092**	**kWh**	**0.0090**	**$6,876.83**	**$20,732.37**	
11W CFL						11,902	kWh	0.0091	$108.30	11,902	kWh	0.0090	$107.51	11,902	kWh	0.0090	$107.11	$322.93	
15W CFL						482,274	kWh	0.0091	$4,388.69	482,274	kWh	0.0090	$4,356.54	482,274	kWh	0.0090	$4,340.47	$13,085.70	
LED Exit Sign						269,917	kWh	0.0091	$2,456.24	269,917	kWh	0.0090	$2,438.25	269,917	kWh	0.0090	$2,429.25	$7,323.74	
																			$24,775.97

Question #68

References: VECC #41 b and c; Addendum - EnerSpectrum Letter

Preamble: In 2007 OPA revised its assumptions for Mass Market Measures including CFLs, PTs and Showerheads. These changes were reflected in the 2007 EKC Program Calculator values for these measures.

a) Provide Copies of the OPA 2006 and 2007 EKC program calculators developed for OPA by Seeline (If not provided in response to Supplementary IR #63 above).

Response

See VECC Interrogatory #63.

b) For K-W 2005 and 2006 OPA programs did Enerspectrum use the 2006 EKC Calculator values in its evaluation for LRAM purposes, or the 2007 EKC values and/or the 2008/2009 values for CFLs, PTs and Showerheads?

Response

For all OPA Programs, LRAM numbers were provided by the OPA. Referencing the "GUIDELINES FOR ELECTRICITY DISTRIBUTOR CONSERVATION AND DEMAND MANAGEMENT EB-2008-0037" Page 28:

> **OPA Funded CDM Programs**
>
> **As part of a claim for LRAM in relation to programs funded by the OPA, distributors should submit to the Board an independent third party evaluation of program results. *The Board would consider an evaluation by the OPA or a third party designated by the OPA to be sufficient.***

For all Third Tranche programs the 2009 OPA Assumptions and Measures were used to calculate LRAM.

c) Provide a list of the assumptions adopted by EnerSpectrum for OPA 2005/2006 and 2007 programs for CFLs, PTs and Showerheads.

Response

The OPA results were provided and calculated by the OPA. Input assumptions used by the OPA are as follows:

#	Year	Program Name	Measures & Assumptions Source(s)
1	2006	Every Kilowatt Counts (Spring)	OEB Measures & Assumptions List AND OPA
2	2006	Cool Savings	OEB Measures & Assumptions List AND OPA
4	2006	Every Kilowatt Counts (Autumn)	OEB Measures & Assumptions List AND OPA
7	2007	Cool Savings	Third Party EM&V
9	2007	Every Kilowatt Counts	Third Party EM&V
10	2007	peaksaver	Ontario Power Authority
11	2007	Summer Savings	Third Party EM&V

Referencing the "GUIDELINES FOR ELECTRICITY DISTRIBUTOR CONSERVATION AND DEMAND MANAGEMENT EB-2008-0037" Page 28:

OPA Funded CDM Programs

As part of a claim for LRAM in relation to programs funded by the OPA, distributors should submit to the Board an independent third party evaluation of program results. *The Board would consider an evaluation by the OPA or a third party designated by the OPA to be sufficient.*

d) If Enerspectrum used the older 2006 EKC values, then update the OPA Component of the LRAM claim using the 2007 EKC and/or 2008/2009 OPA Measures and Assumptions List.

Response

The OPA provided and calculated all program results attributed to each LDC. The numbers were based on actual results.

e) Adjust the carrying charges and rate riders as necessary.

Response

No adjustment is required.