



***PUBLIC INTEREST ADVOCACY CENTRE
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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-2009-0265
Haldimand County 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.

Haldimand County Hydro Inc. (“HCHI”) 2010 Rate Application

Second Round Interrogatories of the Vulnerable Energy Consumers Coalition

Question #28

Reference: VECC #4

- a) Please provide HCHI’s estimate of the cost it would incur by undertaking a lead-lag study in 2010.

Question #29

Reference: VECC #1 and VECC#13 including Appendix C
Exhibit 4, Tab 2, Schedule 5, page 4, Table 8
Exhibit 2, Tab 4, Schedule 1, page 3

Preamble: The response to VECC #1 indicates that HCHI’s 2010 revenue requirement includes \$54,000 charged by Haldimand County Utilities Inc. (“HCUI”) for the Board of Directors. The referenced Table 8 shows that for each year 2006-2010 inclusive, HCHI has paid \$54,000 for “Management Fees.”

The referenced Appendix C indicates that HCHI’s operating budgets included amounts in Account 5605, “Board of Directors,” of \$88,091 for 2006, \$84,279 for 2007, \$74,018 for 2008, and \$71,428.

Page 3 of Exhibit 2, Tab 4, Schedule 1 indicates that expenses booked to Account 5605, “Executive Salaries and Expenses” indicate amounts of \$71,032 for 2006, \$76,167 for 2007, \$67,824 for 2008, \$71,428 for 2009, and \$71,428 for 2010.

- a) Please confirm that these different referenced documents all refer to expenses in respect of the Board of Directors. If unable to so confirm, please provide a full explanation.
- b) Please reconcile the Management Fees with the amounts booked to Account 5605 per Exhibit 2, Tab 4, Schedule 1.
- c) Please confirm that there is no double counting of fees for the Board of Directors.

- d) For each year 2006-2010 inclusive, please show the total costs for the Board of Directors and the amounts allocated to each entity from which these costs were recovered.
- e) Please explain the methodology by which the costs of the Board of Directors are allocated.
- f) Please provide a variance explanation for the differences between the amounts budgeted for Account 5605 per Appendix C and the actual expenses booked to Account 5605 for each year 2006-2010 inclusive.

Question #30

Reference: VECC #6 and Board Staff #14

- a) Please confirm that the “losses” referred to by Haldimand result from the fact that actual Norfolk Power loads for 2006-2010 were/will be less than forecast in 2006.

Question #31

Reference: VECC #11 b)

- a) Please confirm that the geometric mean formula used only considers the first and the last values in the data series. If this is not the case, please provide the formula.

Question #32

Reference: VECC #15

- a) Please provide a “working” version of the spreadsheets used to determine HON’s LV costs.

Question #33

Reference: VECC #16 a)

- a) Provide a schedule setting out the derivation of the \$11.01 fixed rate and the \$0.0395 variable rate used for Residential.

- b) Please re-do the response using the actual Urban and Suburban Residential rates for 2009. If forecast information is not available please split the forecast 2010 Residential customer count and volumes between Urban and Suburban using the most recent annual historical data.

Question #34

Reference: VECC #16 d) and OEB Staff #24

- a) Please re-run the 2010 Cost Allocation and for Hydro One Embedded Distributor include Distribution Revenues of \$173,771. The distribution revenues for the other customer classes should all be reduced proportionally in order to maintain the same total Distribution Revenues.

Question #35

Reference: VECC #17 b) & c) and VECC #16 a)

- a) Please re-do the response to VECC #17 b) using the variable distribution revenue and total distribution revenue after accounting for the Tx Allowance, per VECC #16 a).
- b) Using the results from part (a), please re-do the response to VECC #17 c).

Question #36

Reference: VECC #20
Exhibit 6, Tab 1, Schedule 1, page 2

- a) Please confirm that Residential customers using 500 kWh or less will see average impact of 11.5% or more based on Haldimand's proposal.
- b) Please update the response to VECC #20 c) to include the number of Residential Urban and Residential Suburban customers that use between 250-500 kWh per month.
- c) Please update the Revenue Deficiency calculation in Exhibit 6 to incorporate the effect of the Board's EB-2009-0084 Report – Cost of Capital for Ontario's Regulated Utilities.
- d) Considering the results to parts a) to c), is it still Haldimand's view that no addition rate mitigation is required? If yes, please explain why. If no, what is Haldimand's proposal?

Question #37

Reference: VECC #23 a), Table entitled “Assumptions for LRAM”

- a) Please verify that this table only applies to Third tranche and post third tranche CDM programs i.e. not to OPA-funded programs.
- b) To assist with verification, please provide a version of the Table that provides the unit kWh savings for each measure and adds a column that provides a list of cross references to the OPA 2008/2009 Measures and Assumptions List for these values and also for the Freeridership assumptions.

Question #38

Reference: VECC #24 f)

Preamble: The Table supplied to HCHI by the OPA shows the input assumption sources at the time that the OPA programs were delivered. [Emphasis added] The OEB TRC Guidelines Section 7.3 Stipulate that LRAM claims should be based on the “best available” input assumptions at the time that the independent third party review and LRAM claim was prepared. The Board directed that (since January 29, 2009) the OPA 2008/2009 Measures and Assumptions list values should be used and confirmed this in its Decision regarding the carry forward portion of the Horizon Third Tranche programs.

- a) Please comment on the implied double standard (OPA measures list for Third Tranche Programs and various assumptions for OPA Programs) in the context of the HCHI LRAM claims for Third Tranche and OPA programs, particularly for mass market measures CFLs, SLEDs, PTs etc.
- b) Did HCHI and EnerSpectrum rely on the OPAs review of 2005-2008 OPA-funded programs or conduct its own evaluation? Please clarify.
- c) If the 2008/2009 OPA Measures and Assumptions List values were applied across all components of the HCHI LRAM claim (instead of Third Tranche only), please provide an estimate based on the number of CFLs, SLEDs and PTs of the change in kWh saved for the OPA programs and overall LRAM claim.