



***PUBLIC INTEREST ADVOCACY CENTRE  
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**ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7**

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: [piac@piac.ca](mailto:piac@piac.ca). <http://www.piac.ca>

Michael Buonaguro  
Counsel for VECC  
(416) 767-1666

February 18, 2010

**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-2009-0270  
North Bay Hydro Distribution Limited – 2010 Electricity Distribution Rate  
Application**

Please find enclosed the 2nd round interrogatories of VECC.

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC  
Encl.

**NORTH BAY HYDRO DISTRIBUTION LTD.**

**2010 RATE APPLICATION**

**EB-2009-0270**

**VECC'S INTERROGATORIES (ROUND #2)**

(Note: Numbering Continues from Round #1)

**Question #36**

**Reference:** VECC #5 c)  
Exhibit 2, page 38

- a) Is the cost of the connection impact assessment charged back to the new generation project?
- b) Is this the \$40,000 in contributed capital reported on page 38? If not, what is the contributed capital shown on page 38 for?
- c) If the 2010 spending does not include any costs for system expansions or connections related to renewable generation, what is the \$55,613 capital spending in Account #1830 for?

**Question #37**

**Reference:** VECC #7

- a) Please explain the material increase in spending for secondary services in 2010 versus 2009, when the number of new services is actually less.

**Question #38**

**Reference:** VECC #10 a) & c)

- a) The response suggests that Table 3-1 reported a Distribution Operating Revenue of \$10,052,198 whereas the table in the Application actually shows \$10,049,807. Please reconcile and correct the responses as required.

### **Question #39**

**Reference:** VECC #11 h)

- a) Please explain more fully what the Direct Install and ERIP programs are.
- b) With respect to the Table provided in the response, please explain what each of the row items represents. Please also provide cross references as to where the values reported here are documented in Exhibit 10.
- c) Why is it reasonable to assume that free riders are not captured in the regression model (i.e. part of the natural conservation trend)?
- d) Please re-do the table in the response, excluding free riders.

### **Question #40**

**Reference:** VECC #12 f)

- a) Please confirm whether the Hydro One values are billed or purchased energy per customer.

### **Question #41**

**Reference:** VECC #13 a) and Board Staff #14 a)

- a) Do the revisions set out in Board Staff #14 a) to 2010 for products and services provided to NBHS change the value for Other Revenues in the 2010 Application? If yes, please provide a revised version of Table 3-33. If no, please explain why not.

### **Question #42**

**Reference:** VECC #16

- a) With respect to the response to VECC #16 c), is the \$140,000 spending for substation grounding studies a one-time cost?

### **Question #43**

**Reference:** VEC #18

- a) What plans does North Bay have to make the \$15,000 available to Low Income groups in 2010 for bill relief given that no specific direction has been received from the OEB or the Government?

### **Question #44**

**Reference:** VECC #22

- a) What would be the required variable charge per customer per month that would result in North Bay's 2009 billings to retailers equalling its total costs?
- b) In North Bay's view, would an increase in the variable rate be the most appropriate way to recover the current shortfall? If not, how else should it be accomplished and why?

### **Question #45**

**Reference:** VECC #23

- a) If part of North Bay's depreciation expense is recovered through overhead burdens charged to OM&A and capital why is the depreciation charge in the revenue requirement (\$2,901,108 per Exhibit 1, page 59) equal to the total depreciation shown in Exhibit 2, page 30?

### **Question #46**

**Reference:** Board Staff #26  
VECC IRR#33 (b) Appendix F

**Preamble:** The response to Board Staff #26 states  
"None of the extensive activities through the duration of the information based program attracted any TRC benefit, only TRC costs except the exchange of incandescent bulbs for CFL's or LED Christmas lights and Project Porchlight. NBHDL does not interpret the Information Based Program as a mass market approach but a customer focussed residential program on energy efficiency and the environment that promotes the use of CFL's in high use areas. In summary NBHDL was intimately involved in developing and delivering third tranche CDM programs. The programs were designed and delivered to maximize results for all parties. Considerable care and effort went into program design, delivery and

assessment of results. The methodology and rationale detailed above substantiates NBHDL belief that its approach is sound using actual data for calculations. NBHDL believes the use of the inputs and assumptions contained in the Guidelines dated March 28, 2008 are suitable. The Third Party Report provides contains additional information on the use of the OPA Measures and Assumptions list.”

- a) Provide for the following Third Tranche Residential measures, a schedule that shows the details of the input assumptions used by NBHI as verified by Bob Mason Associates, and a direct comparison to the assumptions in the OEB 2008 CDM Guidelines and the 2008/2009 OPA Measures and Assumptions List:

- i. 13/15 w Energy Star screw in CFL’s
- ii. 20/25 w CFL
- iii. 3.5 w Seasonal Christmas lights (SLEDs) and
- iv. Project Porchlight screw in 13/15w CFLs
- v. Low flow Showerhead

The Assumptions required are

- Baseline Technology watts and kw/h
- Energy Efficient Technology watts and kw/h
- Annual operating hours
- Gross Annual Energy Savings (AES/Unit)
- Net Annual Energy Savings (AES/Unit)
- Source(s) of assumption(s)
- Authority(ies) and Verification(s) of data

#### **Question #47**

**Reference:** Board Staff #26  
Board Staff Interrogatories, Appendix E, page 84

**Preamble:** The Bob Mason Report attached as Appendix E to Board Staff #26 states:

“Many of the CFL’s distributed during Third Tranche to residential customers were the first installed in their homes. The promotion encouraged the installation to be in high use areas to reduce the most energy and therefore cost. For these first installations in a residence for a customer focussed program the 2.7 hours or 985 annual hours is too low. The average of 2320 hours used in the OEB Assumptions and Measures List is far more practical”

- a) Demonstrate by providing the actual (verified) average operating hours for CFLs handed out by NBHDI in each residential campaign (2005-2008) that

the OEB Guidelines Appendix (average) input assumptions underpinning the as filed LRAM Third tranche claim were applicable *and* more appropriate than the (average) operating hours in the OPA Measures and

- b) Show that the higher operating hour assumptions were more appropriate than the OPA Every Kilowatt Counts assumptions which were amended in 2007.
- c) Provide all independent verifications and sources to support the response to parts a) and b).
- d) Explain why NBHDL cannot accept the OPA Measures and Assumptions for Third Tranche programs but has changed its LRAM claim for OPA programs to reflect the OPA Measures and Assumptions List?

#### **Question #48**

**Reference:** Board Staff #26  
Board Staff Interrogatories, Appendix E, page 84

**Preamble:** With respect to multi residential Buildings the Bob Mason Report states

- We find a large discrepancy in the MURB apartment at 2100 hours and a mass market residence at 985 hours in the OPA measures. NBHDL used 1095 hours for some specific MURBS and 2320 hours depending on the environment and use of the lights; and
  - Most of the hours use shown in the OPA measures is higher than what was used for Third Tranche programs for Commercial and Institutional by NBHDL. In some cases they are much higher.
- a) Provide copies of the evidence (surveys independent experts etc) that Bob Mason Associates and NBHDL is relying upon for the first of these assertions.
  - b) Why did not NBHDL adopt the OPA hours of use as the basis of the CI sector LRAM claim? Provide reasons and support for these.
  - c) Comment on the apparent double standard-- using its own assumptions in some cases and OPAs in others for both the OPA programs (as filed and amended) and Third Tranche programs.

**Question #49**

**Reference:** Board Staff #26 (Updated January 28, 2010)  
VECC #11 h)  
Exhibit 3, pages 17-18

- a) Do the revisions North Bay has made to savings assumptions underlying its LRAM/SSM claim impact on the CDM adjustment made to the load forecast? If not, explain why not?
- b) If the response to part a) is yes, please revise the responses to VECC # 11h) and #39 b) & d).
- c) If the response to part a) is yes, please provide revised versions of Tables 3-1, 3-9 and 3-18 from Exhibit 3.