



**PUBLIC INTEREST ADVOCACY CENTRE**  
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November 9, 2010

**VIA E-MAIL/RESS**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor; 2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Walli

**Re: EB-2010-0119 Wellington North Power Inc. 2011 IRM Adjustment  
Interrogatories of Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed VECC's interrogatories regarding the above Application.

Yours truly,

*Original signed*

Michael Buonaguro  
Counsel for VECC

Encl.

Cc. Judy Rosebrugh- President/CEO WNPI  
[jrosebrugh@wellingtonnorthpower.com](mailto:jrosebrugh@wellingtonnorthpower.com)

## Wellington North Power --VECC IRs

### Smart Meters

#### VECC IR# 1

References: i) OEB Guideline G-2008-0002:

ii) OEB Filing Requirements for Smart Meter Investment Plans,  
October 26, 2006

iii) J1.1 Page 8

- a) Confirm that Guideline G-2008-0002 has not superseded the Filing Requirements for Smart Meter Investment Plans, October 26, 2006.
- b) Confirm that paragraph 7 of the Filing Requirements specifies that 7. Specifically, and in as much detail as possible, please provide the following information for your planned implementation of the SMIP:
  - the number of meters installed by class and by year, both in absolute terms and as a percentage of the class;
  - the capital expenditures and amortization by class and by year;
  - the operating expenses by class and by year;
  - the effect of the SMIP on the level of the allowance for PILs.
- c) Did Wellington North File its SMIP in accordance with the Filing Guidelines? Please elaborate.
- d) Has Wellington North kept records by class as required by the Filing Guidelines and are accounts 1556 and 1555 segregated by rate class? Please elaborate.

#### VECC IR# 2

References: Smart Meter Rate Calculation Model 20100914

Preamble: This request is to provide a breakdown the costs of Residential and Commercial meter installations in 2008, 2009 and forecast 2010.

- a) Provide by year Support/details of the 2008-2009 and forecast 2010 *Residential Class SM Unit costs* (procurement and installation separately).
- b) Provide by year support/details of the 2008-2009 actual and forecast 2010 *Residential Class SM AMI, communications and back office costs* (procurement and installation).

- c) Provide by year support/details of the 2008-2009 and forecast 2010 *Commercial Class* SM Unit costs (procurement and installation separately).
- d) Provide by year support/details of the 2008-2009 actual and forecast 2010 (and if applicable 2011) *Commercial Class* SM AMI, communications and back office costs (procurement and installation).
- e) Provide a schedule that gives a breakdown of the 2008 - 2010 Capital Costs between the Residential and GS<50kw classes.
- f) Provide a breakdown of the O&M costs for meters installed in 2008 - 2010 between the Residential and GS<50kw classes.
- g) Were/are any SM installed or to be installed in other classes? If so provide details of costs, if any, to be recovered.
- h) Provide the details of the balances and the amounts to be collected and/or disposed of in Accounts 1555 and 1556 **by class**. Include the carrying cost calculation(s).

### VECC IR# 3

Reference: Smart Meter Rate Calculation Model 20100914

- a) Provide a Copy of OEB Worksheets that calculate the net fixed assets, revenue requirement and for 2008,2009 and forecast 2010 costs by rate class (Residential, GS<50kw).
- b) When will Wellington North apply for an actual SM Disposition Rate Rider?

### VECC IR# 4

References: Smart Meter Rate Calculation Model 20100914

- a) Provide a cash flow projection for Wellington North SM rate adder revenue and SM expenditures by Class per Month for the 2008, 2009 Actuals and forecast 2010 (and if applicable 2011) rate years.
- b) Compare the forecast surplus/deficit for each class at the end of 2010 (and if appropriate 2011) a) to the class revenue requirements from IR 3a and to the

proposed aggregate (residential and GS<50 kw) \$2.50 /metered customer per month.

- c) Comment on the appropriateness of a combined aggregate rate adder of \$2,50/mo/metered customer, rather than a class-specific rate adder.

## LRAM SSM

VECC IR# 5

References: Appendix A Page 15 and Attachment A

Preamble: For SSM, a distributor may recover 5% of the net benefits (TRC) created by CDM portfolio investments. As set out in the CDM Guidelines, program net benefits are determined by the present value of the avoided electricity costs over the technology's/program's life minus the present value of program costs. All results are net of free ridership. Incentive payments identified by Wellington North Power are excluded from these calculations. For all programs/projects, the OEB Total Resource Cost Guide, Section 5, Assumptions and Measures List September 8, 2005 were used in TRC calculations in accordance with OEB's direction letter, Conservation and Demand Management ("CDM") Input Assumptions Board File No.: EB-2008-0352, January 27, 2009.

- a) Confirm that the current CDM Guidelines and Policy Letter as referenced above specify that

## **SSM**

*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....*

- b) When (year and date) did the OPA change its Input assumptions (unit savings and free ridership) for CFLs under the Every Kilowatt Counts Campaigns.
- c) Provide a copy of the SeeLine EKC calculators before and after the change. Confirm /Show how the EKC assumptions compare to the latest OPA Mass Market and CI Measures and Input Assumptions.
- d) Provide a copy of the spreadsheet showing the SSM calculation as filed. Reconcile to Attachment C.
- e) Provide a calculation of the 3<sup>rd</sup> tranche SSM using the OPA EKC input assumptions for CFLs from the January (2007?) following the change in input assumptions. Provide a revised version of Attachment C.

## VECC IR# 6

References: Appendix A Page 16 and Attachments A and E

Preamble: For all programs/projects, the most recently published OPA assumptions and measures list were used in *LRAM calculations* [emphasis added] in accordance with OEB's direction letter, Conservation and Demand Management ("CDM") Input Assumptions Board File No.: EB-2008-0352, January 27, 2009 and consistent with recent Decision and Order EB-2009-0192 for Horizon Utilities Corporation that directed LRAM calculations use the most current available input assumptions for all CDM programs.

- a) For LRAM the Guidelines and Policy Letter of January 27, 2009 Specify that

### ***LRAM***

*The input assumptions used for the calculation of LRAM should be the best available at the time of the third party assessment referred to in section 7.5. For example, if any input assumptions change in 2007, those changes should apply for LRAM purposes from the beginning of 2007 onwards until changed again.....*

- b) Confirm the Input assumptions for the following 3<sup>rd</sup> tranche CDM programs
- Residential CFL Giveaway –# units and unit kwh savings, operating hours, lifetime and free ridership for each year 2005-2009. Reconcile to net 102,799 total kwh and 2.28kw peak and to Attachment E.
  - Commercial CFL Giveaway –# units and unit and total kwh savings, operating hours, lifetime and free ridership for each year 2005-2009 Reconcile to net 57,672 total kwh and 11.71 kw peak and Attachment E.
- c) Explain why the free-ridership assumption for CFLs is maintained at 10%
- d) If the lifetime for CFLs in the Giveaways is less than the 5 years of kwh savings explain why free ridership should be increased and/or a persistence factor applied.

## VECC IR# 7

Reference Appendix A Page 15 Results Table

- a) Based on the response to Questions X-Z provide a calculation of the revised LRAM/SSM schedules for 3rd tranche programs (including Carrying charges) and recalculate the rate riders.

## VECC IR# 8

References: Appendix A Page 16 and Attachment B

Preamble OPA sponsored programs also represent lost revenue through their successful implementation and are included in LRAM calculations. Lost revenue from results attributable to Wellington North Power funded programs were also included in the LRAM calculations. Although not specifically addressed in the CDM Guidelines, this assessment was considered to be consistent with the CDM Guideline intention of removing the disincentive of eroding distributor revenues due to lower than forecast revenues.

- a) Provide details of the OPA EKC campaigns from 2006-2009 that add to the data shown in Attachment B- Residential line 4 -Every Kilowatt Counts–
  - i. # units
  - ii. unit and total kwh savings,
  - iii. operating hours,
  - iv. lifetime and
  - v. free ridershipfor each year 2006-2009
- b) Reconcile to the revenue for each year and the Total Revenue.