



Wellington North Power Inc.

290 Queen Street West, PO Box 359, Mount Forest, ON N0G 2L0
Phone: 519.323.1710 Fax: 519.323.2425 E-mail: wnp@wellingtonnorthpower.com

www.wellingtonnorthpower.com

November 24, 2010

Ontario Energy Board
Attention: Kirsten Walli, Board Secretary
2300 Yonge Street
27th Floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli,

Wellington North Power Inc. – OEB Licence ED-2002-0511
Response to VECC Interrogatories - 2011 3rd Generation Incentive Regulation Mechanism
Ontario Energy Board File Number EB-2010-0119

Please find the responses to Vulnerable Energy Consumers Coalition (VECC) Interrogatories attached to this letter.

Wellington North Power Inc. would like to point out that it was not expecting interrogatories related to the Smart Meter Rate Calculation based on VECC's Letter of Intervention to the Board Secretary dated November 1, 2010. In the Notice of Intervention VECC identified (item 7) *"VECC is intervening in order to ensure that consumer interests and in particular the interests of low-income and vulnerable users of electricity are fully represented on the determination and allocation of the Lost Revenue Adjustment Mechanism/Shared Savings Mechanism recovery"*.

It is unfortunate that many LDCs have received similar detailed interrogatories relating to the segregation of Smart Meter revenues and costs by customer class which were clearly not included as a requirement in the Guideline 2008-0002, dated October 22, 2008. These questions require a significant amount of time and effort to respond to which in the end provide little value to the outcome of the process. The Board's recent Decision and Order EB-2010-0209 for PowerStream dated November 19, 2010 provides findings that indicate the collection of Smart Meter costs and revenues on a customer class specific basis would provide limited benefits to the process.

In reference to the LRAM/SSM rate rider application, Wellington North Power Inc. submits VECC makes an excellent point in referencing the Board's January 27, 2009 letter in IRs # 5 & 6 which provides direction on the application of revisions to input assumptions for both LRAM and SSM.

The direction specifically states that revised input assumptions are to be reflected in the year the revisions are announced for LRAM and in the year after the input assumptions are revised for SSM.

In summary, based on responses to the interrogatories from both Board Staff and VECC, Wellington North Power Inc. has revised the Smart Meter Rate Adder Model, the Deferral and Variance Workform, and the LRAM/SSM component of the IRM rate application. The changes to these components have been reflected in an updated Rate Generator Model with related Bill Impacts.

Submitted respectfully

WELLINGTON NORTH POWER INC.

Original signed by

Judith Rosebrugh, President/CEO

290 Queen Street West, P.O. Box 359
Mount Forest, ON N0G 2L0
Phone: 519-323-1710 Cell: 519-261-1710 Fax: 519-323-2425

E-Mail: jrosebrugh@wellingtonnorthpower.com

cc: Public Interest Advocacy Centre
Michael Buonaguro, Counsel for VECC

Econalysis Consulting Services
Dr. Roger Higgins

Responses to Vulnerable Energy Consumers Coalition (VECC) Interrogatories
2011 IRM3 Electricity Distribution Rates
Wellington North Power Inc.
290 Queen Street West
Mount Forest ON N0G 2L0
Phone: 519-323-1710
EB-2010-0119

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.

Response:

a) It is Wellington North Power's view these are two separate documents for two entirely different purposes.

The 2006 document asked for an investment plan while the 2008 guideline is for smart meter funding and cost recovery.

The Dec 15, 2006 filing was a plan prepared in the very early stages of the project with the available information at that time.

The Smart Meter Adder of this IRM application follows the Guideline – G-2008-0002 Smart Meter Funding and Cost Recovery dated October 22, 2008.

Wellington North Power Inc. believes it has followed the directions in accordance with the expectations of the Board.

- 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.

Response:

b) Wellington North Power Inc. confirms paragraph 7 of the Filing Requirements is exactly as specified by the Board and quoted in VECC IR 1 b) above.

c) Did Wellington North File its SMIP in accordance with the Filing Guidelines? Please elaborate.

Response:

c) Wellington North Power Inc. filed its Smart Meter Investment Plan using the best information available at the time. The filing was a combined CHEC (Cornerstone Hydro Electric Concepts) filing, Board File Number EB-2006-0246, prepared with the assistance of Util-Assist Inc., a third party assisting many LDCs in the province.

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.

Response:

d) Wellington North Power Inc. does not have the customer class details as requested, however, it has followed the guidance included with Guideline – G-2008-0002 Smart Meter Funding and Cost Recovery dated October 22, 2008 and has recorded accounts 1555 and 1556 accordingly with no segregation by rate class.

Additionally, the PowerStream Inc. Decision and Order EB-2010-0209 dated November 19, 2010 Board Findings indicate “the Board is concerned about distributors’ ability to track all individual costs on a class specific basis at this point in the Smart Meter initiative, given that the instructions that have been issued by the Board in the recent past have not included this requirement.”

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).

Response:

a) The following table from the Smart Meter Rate Calculation model (revised in response to Board Staff Interrogatory #2a) provides the Smart Meter unit costs at an aggregate level for the Residential and General Service <50 kW customer classes.

Tab 3. LDC Assumptions and Data

Wellington North Power Inc.
Response to VECC Interrogatories
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Capital Data:

	2006	2007	2008	2009	2010	2011	Later	Total
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted	Forecasted	
Smart Meter	\$ -	\$ -	\$ 59,385	\$ 52,024	\$ 783,178	\$ 128,250	\$ 12,500	\$ 1,035,337
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 34,250	\$ -	\$ -	\$ 34,250
Computer Software	\$ -	\$ 16,301	\$ 29,364	\$ 38,870	\$ 52,256	\$ -	\$ -	\$ 136,790
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ 8,991	\$ -	\$ 12,810	\$ -	\$ -	\$ 21,801
Total Capital Costs	\$ -	\$ 16,301	\$ 97,740	\$ 90,894	\$ 882,494	\$ 128,250	\$ 12,500	\$ 1,228,178

Operating Expense Data:

	2006	2007	2008	2009	2010	2011	Later	Total
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted	Forecasted	
2.1 Advanced Metering Communication Device (AMCD)	\$ -	\$ -	\$ -	\$ -	\$ 7,326	\$ 24,844	\$ -	\$ 32,169
2.2 Advanced Metering Regional Collector (AMRC) (includes LAN)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.3 Advanced Metering Control Computer (AMCC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.4 Wide Area Network (WAN)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.5 Other AMI OM&A Costs Related To Minimum Functionality	\$ -	\$ -	\$ 674	\$ 628	\$ 726	\$ -	\$ -	\$ 2,028
Total O M & A Costs	\$ -	\$ -	\$ 674	\$ 628	\$ 8,051	\$ 24,844	\$ -	\$ 34,197

Per Meter Cost Split:

	Per Meter	Installed	Investment	% of Invest
Smart meter including installation	\$ 289.60	3,575	\$ 1,035,337	82%
Computer Hardware Costs	\$ 9.58	3,575	\$ 34,250	3%
Computer Software Costs	\$ 38.26	3,575	\$ 136,790	11%
Tools & Equipment	\$ -	3,575	\$ -	0%
Other Equipment	\$ 6.10	3,575	\$ 21,801	2%
Smart meter incremental operating expenses	\$ 9.57	3,575	\$ 34,197	3%
Total Smart Meter Capital Costs per meter	\$ 353.11		\$ 1,262,375	100%

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).

Response:

b) Please see response to IR 2a). The input level of detail is provided on "Tab 2 Smart Meter Data" of the Smart Meter Model and summarized above in the response to IR 2a).

c) Provide by year support/details of the 2008-2009 and forecast 2010 *Commercial Class* SM Unit costs (procurement and installation separately).

Response:

c) Please see response to IR 2a). The input level of detail is provided on "Tab 2 Smart Meter Data" of the Smart Meter Model and summarized above in the response to IR 2a) above.

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).

Response:

d) Please see response to IR 2a). The input level of detail is provided on "Tab 2 Smart Meter Data" of the Smart Meter Model and summarized above in the response to IR 2a) above.

e) Provide a schedule that gives a breakdown of the 2008 - 2010 Capital Costs between the Residential and GS<50kw classes.

Response:

e) Please see response to IR 2a). The input level of detail is provided on "Tab 2 Smart Meter Data" of the Smart Meter Model and summarized above in the response to IR 2a) above.

f) Provide a breakdown of the O&M costs for meters installed in 2008 – 2010 between the Residential and GS<50kw classes.

Response:

f) Please see response to IR 2a). The input level of detail is provided on "Tab 2 Smart Meter Data" of the Smart Meter Model and summarized above in the response to IR 2a) above.

g) Were/are any SM installed or to be installed in other classes? If so provide details of costs, if any, to be recovered.

Response:

g) As meters in other customer classes come due for reverification, Wellington North Power Inc. is replacing them with Smart Meters. To date, 21 smart meters have been installed in the General Service >50-999 kW customer class with approximately 12 more to be installed. These costs have not been included in this Smart Meter Rate Calculation Model and will not be recovered through the Smart Meter cost recovery process.

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).

Response:

h) Wellington North Power Inc. has reported the balances in accounts 1555 and 1556 quarterly in its RRR filings to the Ontario Energy Board. The values in accounts 1555 and 1556 have not been recorded by rate class but managed according to the Guideline G-2008-0002 dated October 22, 2008. A summary of the cumulative RRR balances reported for the years 2007 through 2010 are included in the tables below. It should be noted the 2010 balances have been reported as of September 30, while the Smart Meter Rate Calculation Model includes projections to the end of 2010 and 2011.

Smart Meter Capital Costs - Account 1555	Dec 31 2007	Dec 31 2008	Dec 31 2009	Sep 30 2010
Capital	16,300.77	114,040.53	204,934.61	737,072.75
Carrying Charges	(1,200.85)	(1,512.90)	(773.32)	1,290.01
Accumulated Amortization		3,801.35	(17,766.76)	(17,766.76)
Recoveries	(32,710.23)	(55,957.94)	(101,951.75)	(134,392.13)
RRR Filing Amount - Account Total	(17,610.31)	60,371.04	84,442.78	586,203.87
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Smart Meter OM&A Costs - Account 1556	Dec 31 2007	Dec 31 2008	Dec 31 2009	Sep 30 2010
OM&A	-	674.41	1,301.96	2,555.60
Carrying Charges	-	4.10	12.47	20.91
Amortization			17,766.76	17,766.76
RRR Filing Amount - Account Total	-	678.51	19,081.19	20,343.27

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).

Response:

a) Wellington North Power Inc. has allocated Smart Meter costs according to Guideline G-2008-0002. Those costs have been recorded at an aggregated level for the Residential and General Service < 50 KW customer classes. The revenue requirement and net fixed assets by year are available in the revised Smart Meter Rate Calculation Model Tabs 4 and 6 respectively prepared in response to Board Staff IR# 2a) and included as part of the response to these interrogatories.

- b) When will Wellington North apply for an actual SM Disposition Rate Rider?

Response:

b) Wellington North Power Inc. is scheduled to file a Cost of Service Rate Application in 2011 for 2012 rates. Upon full deployment of Smart Meters, Wellington North Power Inc. plans to include a proposal for a Smart Meter Disposition Rate Rider as part of the application process.

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.

Response:

- a) Wellington North Power Inc. has managed Smart Meter costs according to Guideline G-2008-0002. The information has not been recorded at the customer class level of detail requested. Sheet 2 and 7 of the Smart Meter Rate Calculation Model provides the details of the expenditures and revenues for each of the years in question. The cash flow for projection of the Smart Meter Rate Adder Revenue is provided in the Smart Meter Rate Calculation Model Tab 7.

The following table provides the cash flow projection for the Smart Meter expenditures:

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	2007		2008		2009		2010		2011		Later Capital
	Capital	OM&A	Capital	OM&A	Capital	OM&A	Capital	OM&A	Capital	OM&A	Capital
Jan					1,145		28,074	91			
Feb					9,364		9,073	91			
Mar			16,135		591		148,393	91			
Apr					6,268		142,755	91			
May			421		9,901		122,078	91			
Jun	3,963				2,234	87	43,211	91			
Jul			3,986		6,604		35,834				
Aug				279	6,382	91	11,615	181			
Sep	4,246		5,038		3,329	178	(8,894)	528			
Oct				238	15,478	91					
Nov	3,968		159	157	10,562	91					
Dec	4,124		72,001		19,038	91					
Forecast							350,356	6,797	128,250	24,844	12,500
Total	\$ 16,301	\$ -	\$ 97,740	\$ 674	\$ 90,894	\$ 628	\$ 882,494	\$ 8,051	\$ 128,250	\$ 24,844	\$ 12,500

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.

Response:

b) Wellington North Power Inc. has managed Smart Meter accounting matters according to Guideline G-2008-0002. The information has not been reported at the customer class level of detail requested.

Wellington North Power Inc. has attempted to respond to this interrogatory in the table below by comparing the surplus/(deficit), calculated as the difference between cash inflows and outflows, to the annual Revenue Requirement calculated in Tab 4 of the Smart Meter Rate Calculation Model. The Surplus/(Deficit) takes into consideration the revised Smart Meter Funding Adder of \$3.79 per metered customer per month for the period May 1, 2011 – December 31, 2011.

	2007		2008		2009		2010		2011	
Smart Meter Expenditures	\$	16,301	\$	98,414	\$	91,522	\$	890,545	\$	153,094
Smart Meter Adder Revenue *	\$	32,710	\$	23,248	\$	45,994	\$	43,247	\$	123,477
Surplus / (Deficit)	\$	16,409	\$	(75,166)	\$	(45,528)	\$	(847,298)	\$	(29,617)
Cumulative Surplus / (Deficit)	\$	16,409	\$	(58,757)	\$	(104,285)	\$	(951,583)	\$	(981,200)

* See Smart Meter Rate Calculation Model Tab 7

Revenue Requirement **	\$	833	\$	10,266	\$	25,555	\$	102,324	\$	193,880
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** See Smart Meter Rate Calculation Model Tab 4

c) Comment on the appropriateness of a combined aggregate rate adder of \$2.50/mo/metered customer, rather than a class-specific rate adder.

Response:

c) Wellington North Power Inc. has revised the Smart Meter funding adder to \$3.79 as discussed earlier. We are of the view that a combined rate adder of \$3.79/month/metered customer is appropriate and in line with the assistance provided in Guidance G-2008-0002 October 22, 2008. Also see the response to Interrogatory 1 d) above referencing Decision and Order EB-2010-0209. Wellington North Power Inc. requires this increase in the Smart Meter Funding Adder to assist in covering the cost of third party smart meter financing until our Cost of Service rate application.

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....

Response:

a) Wellington North Power Inc. confirms. The OPA released new assumptions and measures lists in April 2009. Therefore, for any new programming starting January 2010, the new assumptions and measures will be used to calculate SSM.

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.

Response:

b) The unit savings (and free ridership) assumptions for CFLs embedded in the 2006 EKC Campaign calculator, although not explicitly identified, were imputed to be 104 kWh, consistent with the Conservation Bureau's December 2006 Residential Education and

Coupon Incentive ("Every Kilowatt Counts") Program report. Changes to these assumptions were published until the OPA issued the revised assumptions and measures list in April 2009. In accordance with the guideline above, assumptions and measures list published by the OPA in April, 2009 were used in LRAM calculations only. SSM calculations therefore accurately reflect the use of 2005 assumptions and measures, representing those in existence at the time TRC calculations were performed for 3rd tranche CFL program decisions.

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.

Response:

c) SeeLine's EKC calculator was not applied in the calculation of TRC results. Assumption changes are described in VECC IR #5a).

d) Provide a copy of the spreadsheet showing the SSM calculation as filed. Reconcile to Attachment C.

Response:

d) With reference to VECC IR #5a) – preamble. See following tables:

Net Present Value_{TRC}

Utility

Name of Utility: Wellington North Power	
Number of years in study:	4

Project Description

Name of Project: CFL GIVEAWAY PROGRAM
Description: 15W CFL - RESIDENTIAL CUSTOMERS

☒ OEB Residential Table

☐ OEB Commercial Table

☐ OEB Industrial Table

☐ Direct Input

☐ k\$

☒ \$

User Inputs

Discount rate	8.07%
Unit Annual Energy Savings	0.000
Number of Units Delivered	2644
Free Ridership Rate	10%

Output

NPV (\$)	50,225.87
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LDC Avoided Costs		Present	2006	2007	2008	2009
Avoided Energy			17,322.73	17,177.52	17,861.44	17,102.03
Avoided Generation Capacity			-	-	-	-
Avoided Transmission Capacity			-	-	-	-
Avoided Distribution Capacity			-	-	-	-
Avoided Distribution Losses			-	-	-	-
Other Avoided Costs						
Other Benefits						
Total (undiscounted) Avoided Costs		-	17,322.73	17,177.52	17,861.44	17,102.03
LDC Program Costs						
LDC OM&A Costs		-4,718.87				
LDC Capital Costs						
Incremental Equipment Costs	(4,759.20)	-4,759.20				
Participant Costs						
Total Program Costs		-9,478.07	-	-	-	-
Total Avoided Costs less Program Costs		-9,478.07	17,322.73	17,177.52	17,861.44	17,102.03

		2006	2007	2008	2009	
Present value factor	8.1%	1.000	0.962	0.890	0.824	0.762
Present value of cash flows		-9,478.07	16,663.79	15,290.89	14,713.09	13,036.17
Accumulated present value of cash flows		-9,478.07	7,185.72	22,476.61	37,189.70	50,225.87

NPV TRC

50,225.87

Net Present Value_{TRC}

Utility

Name of Utility:	Wellington North Power
Number of years in study:	2

Project Description

Name of Project:	CFL GIVEAWAY PROGRAM
Description:	15W CFL - GENERAL SERVICE < 50 CUSTOMERS

☐ OEB Residential Table

☒ OEB Commercial Table

☐ OEB Industrial Table

☐ Direct Input

☐ k\$

☒ \$

User Inputs

Discount rate	8.07%
Unit Annual Energy Savings	0.000 kW/unit
Number of Units Delivered	356
Free Ridership Rate	10%

Output

NPV (\$)	6,600.40
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LDC Avoided Costs		Present	2006	2007
Avoided Energy			4,623.43	4,572.18
Avoided Generation Capacity			-	-
Avoided Transmission Capacity			-	-
Avoided Distribution Capacity			-	-
Avoided Distribution Losses			-	-
Other Avoided Costs				
Other Benefits				
Total (undiscounted) Avoided Costs		-	4,623.43	4,572.18
LDC Program Costs				
LDC OM&A Costs		-633.57		
LDC Capital Costs				
Incremental Equipment Costs	(1,281.6)	-1,281.60		
Participant Costs				
Total Program Costs		-1,917.17	-	-
Total Avoided Costs less Program Costs		-1,917.17	4,623.43	4,572.18

		2006	2007
Present value factor	8.1%	1.000	0.962
Present value of cash flows		-1,917.17	4,447.56
Accumulated present value of cash flows		-1,917.17	2,530.39
NPV TRC		6,600.40	

e) Provide a calculation of the 3rd 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.

Response:

e) As per response in VECC IR #5b), there would be no change to 3rd tranche SSM calculations since there was no change to input assumptions.

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.....

Response:

a) Wellington North Power Inc. confirms. The original LRAM submission was calculated using the OPA Input Assumptions (April 2009), representing best available input assumptions at the time, for all 2005/6 program results persisting between 2005 and 2009.

To align calculations with the LRAM statement above, the CFL programs results for 2005/2006 were adjusted to use the OEB Assumptions and Measures List (Oct 14, 2005). Applying the example above, only 2005/6 program results persisting for 2009 would be impacted by the April 2009 published OPA assumptions. As such, the following table summarizes the impacts on LRAM calculations initially submitted.

CFL Input Assumption Changes and LRAM Impacts

2006 kWh filed	102,799		
2006 LRAM as filed	\$1,398.06		
2006 kWh revised	248,430		
2006 LRAM revised	\$3,378.65		
		LRAM \$ Impact:	+ \$1980.59
2007 kWh filed	102,799		
LRAM as filed	\$1,363.80		
2007 kWh revised	248,430		
2007 LRAM revised	\$3,295.84		
		LRAM \$ impact:	+ \$1932.04
2008 kWh filed	102,799		
LRAM as filed	\$1,464.88		
2008 kWh revised	248,430		
2008 LRAM revised	\$3,540.13		
		LRAM \$ impact:	+ \$2074.25
		Total LRAM \$ impact:	+\$5986.88

In addition to the above, calculations were revised to remove persistence of results for 2008-2009 for the Commercial CFL Program, as the technology life is only 2 years. This is calculated to be a reduction of \$1390.85 from the original filing.

The net total impact on LRAM calculations is \$4596.03, revising the total LRAM calculated to \$172,632.10

b) Confirm the Input assumptions for the following 3rd 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.

Response:

b) See Excel sheet: EB-2010-0119 WNP VECC IR Responses.xlsx
Tab: VECC IR #6

c) Explain why the free-ridership assumption for CFLs is maintained at 10%

Response:

c) The CFL program was completed in 2005 for residential and 2006 for commercial sectors. At that time, 2005 OEB published assumptions and measures list tables were the source of the widely applied free ridership rate of 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.

Response:

d) Re free ridership, see answer to VECC IR #6b)

Given the broad market acceptance of CFL's across all sectors, customers were reasonably expected to keep CFLs in place over the duration of the 2005-2010 period.

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.

Response:

a) Wellington North Power Inc. assumes the VECC IR #7 is referring to VECC IR #5 & 6 and not Questions X-Z. Wellington North Power Inc. further submits the revised rate riders be consider for approval in this rate application.

The following tables provide revised LRAM and SSM totals which are used to calculate the revised rate riders:

Note: The billing units used to calculate the rate riders have been revised to reflect a response to Board Staff IR# 1b).

LRAM & SSM Totals

Rate Class

	LRAM \$	SSM \$	TOTAL \$
<u>Third Tranche</u>			
RESIDENTIAL	\$11,784.02	\$2,511.29	\$14,295.31
GENERAL SERVICE < 50kW	\$874.41	\$304.40	\$1,178.81
<u>OPA Programs</u>			
RESIDENTIAL	\$22,803.24		\$22,803.24
GENERAL SERVICE <50KW	\$80,713.88		\$80,713.88
General Service>50kW to 4,999kW (2005-2007)	\$4,846.07		\$4,846.07
General Service>50kW to 999kW (2008-present)	\$51,610.48		\$51,610.48
	\$172,632.10	\$2,815.69	\$175,447.79

LRAM / SSM 2011 RATE RIDER

Rate Class	Amounts (Up to 2009)		Billing Units (2009) (revised per OEB IR 1b)	Metrics	Three Year Rate Rider Total
	LRAM	SSM			\$/unit (kWh or kW)
	\$	\$			
Residential	34,587.26	2,511.29	25,181,847	kWh	0.0005
GS < 50 kW	81,588.29	304.40	11,485,058	kWh	0.0024
GS >50 - 999	56,456.55	0.00	64,960	kW	0.2897
Total	172,632.10	2,815.69			

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 ridership
- for each year 2006-2009

Response:

- a) See Excel sheet: EB-2010-0119 WNP VECC IR Responses.xlsx
Tab: VECC IR #8

- b) Reconcile to the revenue for each year and the Total Revenue

Response:

b)

Net Energy Savings (kWh)

#	Initiative Name	Program Year	2006	2007	2008	2009
3	Every Kilowatt Counts	2006	227,018	227,018	227,018	227,018
8	Every Kilowatt Counts	2007	0	79,675	78,700	78,700
22	Every Kilowatt Counts Power Savings Event	2008	0	0	74,457	74,134
37	Every Kilowatt Counts Power Savings Event	2009	0	0	0	19,918

Actual Results: 2006-8 Final+2009 Preliminary.OPA CDM Results.Wellington North Power Inc..xls – TAB: Initiative Level - LDC

Total Revenue Calculations:

2006 EKC: $= (1/3) * 227,018 * 0.0144 + (2/3) * 227,018 * 0.0132 = \$3,087.44$

2007 EKC: $= (1/3) * (227,018 + 79,675) * 0.0132 + (2/3) * (227,018 + 79,675) * 0.0133 = \$4,068.79$

2008 EKC: $= (1/2) * (227,018 + 78,700) * 0.0133 + (1/2) * (227,018 + 78,700) * 0.0152 = \$4,356.48$

2009 EKC: $= (1/3) * (227,018 + 78,700) * 0.0152 + (2/3) * (227,018 + 78,700) * 0.0153 = \$4,667.29$

2008 EKC Power Savings Event: $= (1/2) * 74,457 * 0.0133 + (1/2) * 74,457 * 0.0152 = \$1,061.02$

2009 EKC Power Savings Event: $= (1/3) * (74,134 + 19,918) * 0.0152 + (2/3) * (74,134 + 19,918) * 0.0153 = \$1,435.85$