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November 25, 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-2010-0095 Lakefront Utilities 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 Dereck C. Paul; Vice President

## EB-2010-0095 Lakefront Utilities Inc 2011 IRM Adjustment -VECC IRs

### LRAM SSM

#### QUESTON # 1

- References:**
- i) Managers Report, page 13 Sheet J2.5
  - ii) Burman Report, page 5 and Appendix A2 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 Lakefront Utilities 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 January (2007?) following the change in input assumptions. Provide a revised version of Attachment C

## **QUESTION #2**

- References:**
- i) Managers Report, page 13 Sheet J2.5
  - ii) Burman Report, page 6 and Attachment A

**Preamble:** For all programs/projects, the most recently published OPA assumptions and measures list were used in LRAM calculations 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.....*

Confirm that the Claim was prepared in accordance with these directives.

- b) Confirm the Input assumptions for the following 3<sup>rd</sup> tranche CDM programs
- Residential CFL Giveaway—# units and unit kwh savings, lifetime and free ridership for each year 2005-2009.
- c) Indicate whether/if the free-ridership assumption for CFLs is maintained at 10%.
- d) If the lifetime for CFLs in the residential and commercial programs is less than 5 years of kWh savings, explain why free ridership should not be increased and/or a persistence factor applied.

## **QUESTION # 3**

- References:**
- i) Burman Report, page 5 Results Table
  - ii) Managers Summary, page 13 Sheet J2.5 LRAM

- a) Based on the response to Questions 1-2 provide a calculation of the revised LRAM/SSM schedules for 3rd tranche programs (including Carrying charges) and recalculate the rate riders.

#### **QUESTION # 4**

**Reference:** Burman Report, page 6 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 Lakefront Utilities 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 2006-2008 that add to the data shown in Attachment B- Residential line 3 Every Kilowatt Counts—
  - i. # units
  - ii. unit and
  - iii. total kwh savings,
  - iv. lifetime and
  - v. free ridershipfor each year 2006-2009
  
- b) Reconcile to the revenue for each year and the Total Revenue.

#### **REVENUE TO COST RATIO ADJUSTMENT**

#### **QUESTION #5**

**Reference:**

- i) Manager's Summary, page 10
- ii) 2011 Revenue to Cost Ratio Adjustment Workform, Sheet C1.1
- iii) OEB Decision EB-2007-0761, page19
- iv) 2008 Revised Draft Rate Order, June 27, 2008, page 26

- a) For those customer classes whose revenue to cost ratios were unchanged by the Board's EB-2007-0761 Decision (i.e., Residential, GS 3,000-4,999 and USL please explain why the ratios used in the current IRM application (and also the 2010 Application) are different from those approved by the OEB and used in the determination of the 2008 rates as well as the 2009 IRM adjustment. For example, the ratio for GS 3,000-4,999 was initially 35.1% and is now 20.05%.