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December 8, 2010

VIA E-MAIL/RESS

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

Dear Ms. Walli

Re: EB-2010-0105 Orangeville Hydro Limited - 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. Jan Howard, Manager of Finance & Rates
Orangeville Hydro Limited

Orangeville Hydro Limited
2011 IRM Adjustment (EB-2010-0105)
VECC IRs

Smart Meter Rate Adder 2011

VECC IR #1

References: i) OEB Guideline G-2008-0002:
ii) OEB Filing Requirements for Smart Meter Investment Plans, October 26, 2006
iii) Managers Summary

a) Confirm that Guideline G-2008-0002 has not superseded the Filing Requirements for Smart Meter Investment Plans, October 26, 2006.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 Orangeville file its SMIP in accordance with the Filing Guidelines? Please elaborate.

d) Has Orangeville 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: i) Managers Summary Page 2
ii) SM Funding Model Sheets 7 & 8

Preamble: In its EB-2010-0209 Decision The Board Stated

> " the Board finds that PowerStream's original cost allocation methodology is reasonable and based on the principle of cost causality"

a) Provide the *average unit capital costs* (procurement and installation) and total capital costs for each of residential and GS<50kw meters to the end of 2010.

b) Provide an estimate of the SM rate adder revenue collected from <u>each</u> of the Residential and GS<50kw classes to the end of 2010. (average #customers * SM adder rate/metered customer/month). Prorate the carrying costs and reconcile to OEB Worksheet 7.

c) Provide the estimated 2011 total capital costs (procurement and installation) for <u>each</u> of the Residential and GS<50 kw classes.

d) Calculate class-specific proxy 2011/12 rate adders using capital cost as the cost driver for allocating the 2011Revenue Requirement.(Sheet 8). The class specific rate adders should add to the same total 2011/2012 SM revenue as that projected from the aggregate SM rate adder of $2.70 (Worksheets 7 and 8).

e) Why is Orangeville applying for an aggregate 2011 SM rate adder of $2.00/customer/mo rather than $2.70? Please explain.

<u>LRAM</u>

<u>VECC IR#3</u>

References: i) Managers Summary Pages 2-3
ii) Appendix A, Burman Report Page 6 and Attachments A, B and E

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…..

Please confirm that the claim has been prepared in accordance with these Guidelines i.e., only OPA 2010 Prescriptive Measures and Assumptions have been used. If not, list all exceptions and the basis for them.

b) Confirm the Input assumptions for the following 3rd tranche CDM programs
   - **Home Show Lightbulb Giveaway** –# units and unit kWh savings, lifetime and free ridership for <u>each year 2005-2009</u>.
     .
   - **Reduce the Juice Energy Audits 15W CFLs 2006-2007** –# units and unit kWh savings, lifetime and free ridership for <u>each year 2005-2009</u>.

   Reconcile Residential CFLs to net **67,651** total kWh and Commercial CFLs to **200,621** kWh and **46,008** kWh (Attachment A) and to Attachment E.

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

d) If the lifetime for CFLs is less than the 4 years for SSM purposes, explain why free ridership should be increased and/or a persistence factor applied.

<u>VECC IR# 4</u>

References: Appendix A, Burman Report Page 5 and Attachment B

Preamble: OPA sponsored programs also represent lost revenue through their successful implementation and are included in LRAM calculations.

a) Provide details of the OPA EKC campaigns from 2006-2009 that add to the data shown in Attachments A and B- Residential lines 1 and 10 Every Kilowatt Counts
   i. # units
   ii. unit and total kWh savings,
   iii. operating hours,
   iv. lifetime and
   v. free ridership

   for <u>each year 2006-2009</u>

Reconcile to the Values in Attachments A and B **3,838,540 kWh** and **65.46 kW** and **565,047 kWh** and **32.05 kW.**

b) Provide a copy of the OPA Program Results for Orangeville and reconcile to the kW and kWh values claimed in Attachments A and B.

Revenue to Cost Ratio Adjustment

VECC IR# 5

References: i) Managers Summary Page 4
ii) Revenue Cost Ratio Workform, Sheet C1.1

a) Please provide a reference for the 2010 Revenue to Cost ratios reported for Residential (109.17%), Sentinel Lighting (42.39%) and Street Lighting (38.38%). They do not appear to match either the 2010 proposed values in the original EB-2009-0272 Application or the 2010 values as reported in March 5th, 2010 Draft Rate Order.

VECC IR# 6

References: i) Managers Summary Page 4
ii) Revenue Cost Ratio Workform, Sheet C1.3

a) Please explain why no transformer allowance was included when in the original EB-2009-0272 Application (Exhibit 8/Tab 1/Schedule 1, pages 9-10) there were $90,131 of transformer ownership allowance credits forecast for 2010 and the Application indicated (page 10) that the volumetric rates were adjusted to recover the transformer credits.

VECC IR# 7

References: i) Revenue Cost Ratio Workform, Sheet B1.3

a) Please reconcile the Distribution Revenues reported in Sheet B1.3 ($4,959,037) with the approved Distribution Revenues as set out in the March 5th, 2010 Draft Rate Order ($4,873,572).