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December 9, 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-2010-0078 Enersource Hydro Mississauga 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: Gia M. DeJulio
Director, Regulatory Affairs
gdejulio@enersource.com

EB-2010-0078 Enersource Hydro Mississauga 2011 IRM Adjustment -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 Page 3

a) Confirm that Guideline G-2008-0002 has not superseded the Filing Requirements for Smart Meter Investment Plans, October 26, 2006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

d) Has Enersource 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 Pages 3- 4

ii) Smart Meter Rate Calculation Model Attachment C. 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 each 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 2011/12 total capital costs (procurement and installation) for each 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 2011/12 Revenue 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 \$2.12 (Worksheets 7 and 8)

LRAM

VECC IR# 3

References: Attachment I Page 7 SeeLine Report Appendix A& B

Preamble:

- 1) Page 161 of the OPA 2009 Mass Market Measures and Assumptions states in respect of Low Income Residential Domestic Water Heater Tank Wrap: "Water heaters became regulated products under Canada's Energy Efficiency Regulations (February 3, 1995) Introduction for maximum allowable standby losses for electric water heaters required manufacturers to increase tank insulation levels for compliance. Post 1997 water heaters are considered better insulated, and would therefore not benefit from a supplemental wrap. Assuming an average 12 year life for water heaters, most existing models would not benefit from this measure. Even if only the oldest models were targeted, the benefits likely would not outweigh costs since a) such models likely would have to be replaced very soon anyway, and b) some manufacturers with fibreglass insulation models (i.e., those that would benefit from supplemental tank insulation) prohibit installing tank wraps on the grounds that they accelerate the tank deterioration process."
 - 2) In addition, the 2009 OPA CI Measures and Assumptions List Page 74 provides the formula for calculating the savings from Commercial Hot water tank insulation
 - 3) The 2010 Quasi-Prescriptive Measures List pages 29-30 also provides the formula for calculating Commercial Water Heater Tank wrap savings.
- a) Provide the rationale why Residential domestic hot water tank insulation blankets should be credited with savings in 2009 given the OPA position as outlined in the Preamble (1).
 - b) Provide a calculation of the annual savings for a typical (40 gallon?) DHW tank insulation blanket using the OPA Commercial Tank Wrap formula on page 29/30 of the Quasi-prescriptive Measures List.
 - c) Compare the result to the Kw and Kwh savings using the OEB assumptions used by Enersource and verified by SeeLine. (0.019 Kw and 270 Kwh)
 - d) Provide an alternative LRAM amount for 2009 using #units and 2010 OPA Quasi-Prescriptive assumptions to calculate Kwh and Kw.
 - e) Adjust the Residential LRAM Claim and Rate rider.

VECC IR# 4

References: Attachment I Page 7 SeeLine Report Appendix A& B

- 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 Third Tranche and Rate Funded LRAM Claims used only input assumptions from the OPA 2010 Prescriptive Measures and Assumptions Lists. If not, then list all exceptions and the sources of the inputs. (other than Water Heater Blankets)

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- b) Confirm the lifetime and free-ridership assumption for CFLs 2005-2008.
- c) For CFLs installed in 2005 has/should a persistence factor be applied? Discuss.

VECC IR# 5

References: Appendix 1 SeeLine Report:

- i) Appendices A&B Third Tranche Programs and
 - ii) Appendices D and E OPA Programs
 - iii) Appendix E OPA Results Extract
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- a) ..EKC Retailer Programs 2005-2007 are Listed as Third Tranche Please Explain why they are also listed under OPA Results Appendix F. Lines 8 and 22 Please clarify.
 - b) Provide **details** of the OPA EKC campaigns from 2006-2009 that add to the data shown in Appendix F Residential lines 8 and 22- Every Kilowatt counts—
 - i. # units
 - ii. unit and total kwh savings,
 - iii. operating hours,
 - iv. lifetime and
 - v. free ridershipfor each year 2006-2009 (include prior years if required)
 - c) Reconcile the OPA EKC results from Appendix E to the savings and revenue for each year and the Total Revenue as reported in the following Tables:
 - SeeLine Report Appendix A
2005-88 kw and 773,747 kwh
 - SeeLine Report Appendix B
2006 168Kw and 14,623,243 Kwh
 - d) Reconcile the Summer Savings/Sweepstakes OPA results from Appendix F to the savings and revenue for each year and the Total Revenue as reported in the following Tables:
 - SeeLine Report Appendix D
2006-137 kw and 542,259 kwh

- SeeLine Report Appendix E
2009 0.102 Kw and 0.2422 kw
Line 3 - 14,253 Kwh
Line 22 -4,627 Kwh