Niagara-on-the-Lake Hydro Inc.

December 22, 2010

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

Niagara-on-the-Lake Hydro Inc. ("NOTL") 2011 Rate Application
OEB Case EB-2010-0101
Response to VECC Interrogatories

Dear Ms. Walli

Further to your letter of December 21 confirming the status of VECC as an intervenor in this case, please find attached NOTL's responses to VECC's interrogatories. This letter and the responses are being submitted via e-mail and RESS. The associated Excel file referenced on Page 5 of the responses is being submitted via RESS.

Yours truly

Jim Huntingdon, President
Encl.

Cc

Michael Buonaguro, Public Interest Advocacy Centre

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NIAGARA-ON-THE-LAKE HYDRO INC,

2011 Rate Application, Case EB-2010-0101

RESPONSES TO

VECC INTERROGATORIES

LRAM/SSM

VECC IR# 1

References: i) Managers Summary Pages7-10
ii) Appendix 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.

Response
Confirmed - All Third Tranche LRAM Results used the OPA 2010 Prescriptive Measures and Assumptions List.

b) Confirm the Input assumptions for the following 3rd tranche CDM programs
- **Mass Media Coupons-15w CFLs**–# units and unit kWh savings, lifetime and free ridership for each year 2005-2009.

Response

# of Units:	***538***
Unit kWh Savings:	***43.2 kWh***

Lifetime Savings / unit: ***344 kWh***
Free Ridership: ***10***%

- **CFL Distribution 2007**–# units and unit kWh savings, lifetime and free ridership for each year 2007-2009.

Response

# of Units: ***100***
Unit kWh Savings: ***43.2 kWh***
Lifetime Savings / unit: ***344 kWh***
Free Ridership: ***10%***

- **LED Christmas Light Trade-in**–# units and unit kWh savings, lifetime and free ridership for each year 2005-2009.

Response

# of Units: ***700***
Unit kWh Savings: ***57 kWh***
Lifetime Savings / unit: ***1680 kWh***
Free Ridership: ***5%***

Reconcile both CFLs 2005 and 2007 to net **27,890** and **5,184** total kWh and SLEDs to **50,540 kWh** (Attachment A) and all to Attachment E.

Response

Mass Market Coupon Program:

2008: 43.2 kWh * 538 units = 23,241.6 kWh – 10% = 20,917.44 kWh
2009: 43.2 kWh * 538 units = 23,241.6 kWh – 10% = 20,917.44 * (1/3) = 6,972.48 kWh

Total: 20,917.44 + 6,972.48 = 27,890 kWh

Niagara on the Lake Hydro previously prepared a Load forecast that took into account CDM Programs. The rates effective for this forecast came into effect May 2009. Therefore, residual results from the 2005 program included January – April results only for 2009.

2007 CFL Program:

2008: 43.2 kWh * 100 units = 4,320 kWh – 10%= 3,888 kWh
2009: 43.2 kWh * 100 units = 4,320 kWh – 10%= 3,888 kWh * (1/3) = 1,296 kWh

Total: 3,888 + 1,296 = 5,184 kWh

2006 LED Christmas Light Trade In:

2007: 57kWh * 700 units = 39,900 kWh – 5% = 37,905 kWh
2008: 57kWh * 700 units = 39,900 kWh – 5% = 37,905 kWh * (1/3) = 12,635 kWh

Total: 37,905 + 12,635 = 50,540 kWh

- Pstats – Space Cooling - # units and unit kWh savings, lifetime and free ridership for each year 2005-2009. Reconcile claimed Savings to **66,013** kWh net. Explain why gross and net savings are the same.

Response

# of Units:	***24***
Unit kWh Savings:	***2,063 kWh***
Lifetime Savings / unit:	***30,945 kWh***
Free Ridership:	***0%***

2008: 2,063 kWh * 24 units = 49,512 kWh

Free ridership for this program was 0%. Therefore, the net and gross savings are the same.

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

Response

The CFL program was completed in 2005 for residential sector. 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 is less than the 4 years for SSM purposes, explain why free ridership should be increased and/or a persistence factor applied.

Response

Re free ridership, see answer to 1c)

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# 2

References: i) Appendix Burman Report Attachment D
ii) Sheet J2.6 LRAM/SSM) Managers Summary Pages10 and 11 (Table)

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

Response

The revised rate riders will be calculated and provided as soon as possible.

VECC IR# 3

References: i) Spreadsheet LRAM Support
ii) Appendix Burman Report Page 5 and Attachments B and F

Preamble: OPA sponsored programs also represent lost revenue through their successful implementation and are included in LRAM calculations. Lost revenue from results attributable to Niagara-on the-Lake Hydro funded programs were also included in the LRAM calculations.

a) Provide details of the OPA EKC campaigns from 2006-2009 that add to the data shown in Attachment B- Residential line 36 Every Kilowatt Counts Power Savings Event

i. # units
ii. unit and total kWh savings,
iii. operating hours,
iv. lifetime and
v. free ridership

for each year 2008-2009

Response

Net Energy Savings (kWh)

#	Initiative Name	Program	Program Year	Results Status	2006	2007	2008	2009
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	0	0	185,555	184,748
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Preliminary	0	0	0	49,637

Attachment B: Line36 EKC Power Savings Event:

2008 kWh = 185,555 kWh
2009 kWh = (184,748 * (1/3)) + 49,637 kWh

Niagara on the Lake Hydro previously prepared a Load forecast that took into account CDM Programs. The rates effective for this forecast came into effect May 2009. Therefore, residual results from the 2005 program included January – April results only for 2009.

Full details for each measure for 2006 – 2009 EKC Programs can be found in the following Excel sheet: EB-2010-0101 NOTL VECC IR Responses.xlsx

b) Reconcile to the OPA Results under the spreadsheet Tab OPA Assumptions Lines 9-18, 40-53 and lines 132 -153 and to the lost revenue for each year and the Total Revenue.

Response

Net Energy Savings (kWh)

#	Initiative Name	Program	Program Year	Results Status	2006	2007	2008	2009
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	0	0	185,555	184,748
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Preliminary	0	0	0	49,637

AS FILED: 2006-2008 + 2009 Preliminary

Net Energy Savings (kWh)

#	Initiative Name	Program	Program Year	Results Status	2006	2007	2008	2009
3	Every Kilowatt Counts	Consumer	2006	Final	567,213	567,213	567,213	567,213
8	Every Kilowatt Counts	Consumer	2007	Final	0	208,711	206,159	206,159
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	0	0	185,555	184,748
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Preliminary	0	0	0	49,637

Results shown on the OPA Assumptions Tab only represent each year's results and do not include results that may persist into the following years. The above table represents kWh savings by year. Total revenue was calculated as follow 2006 – 2007 EKC Program results were not claimed in this LRAM Submission.

2008 EKC Persistent results: = (1/3) * (567,213 + 206,159) * 0.0123 + (2/3) * (567,213 + 206,159)* 0.0123 = $9,512.47

2009 EKC Persistent results: = (1/3) * [(567,213 + 206,159) * (1/3)] *0.0123 + (2/3) * [(567,213 + 206,159) * (1/3)] * 0.0127 = $3,239.57

2008 EKC Power Savings Event:= (1/3) * 185,555 * 0.0123 + (2/3) * 185,555 * 0.0123 = $2,282.33

2009 EKC Power Savings Event: = (1/3) * (184,748 * (1/3) + 49,637) * 0.0123 + (2/3) * (184,748 * (1/3) + 49,637) * 0.0127 = $1,397.66

UPDATED 2009 FINAL NUMBERS:

Net Energy Savings (KWh)

#	Initiative Name	Program Year	Results Status	2006	2007	2008	2009
	Every Kilowatt Counts	2006	Final	567,213	567,213	567,213	567,213
	Every Kilowatt Counts	2007	Final		208,711	206,159	206,159
	Every Kilowatt Counts Power Savings Event	2008	Final			185,555	184,748
	Every Kilowatt Counts Power Savings Event	2009	Final				80,465

2006 – 2007 EKC Program results were not claimed in this LRAM Submission.

2008 EKC Persistent results: (1/3) * (567,213 + 206,159) * 0.0123 + (2/3) * (567,213 + 206,159)* 0.0123 = $9,512.47

2009 EKC Persistent results: = (1/3) * [(567,213 + 206,159) * (1/3)] *0.0123 + (2/3) * [(567,213 + 206,159) * (1/3)] * 0.0127 = $3,239.57

2008 EKC Power Savings Event: = (1/3) * 185,555 * 0.0123 + (2/3) * 185,555 * 0.0123 = $2,282.33

2009 EKC Power Savings Event: = (1/3) * (184,748 * (1/3) + 49,637) * 0.0123 + (2/3) * (184,748 * (1/3) + 80,465) * 0.0127 = $1,785.07