

Vulnerable Energy Consumers Coalition (VECC) INTERROGATORY #1 List 1

Interrogatory

Reference: Exhibit B Tab 1 Schedule 2 Figures 1 and 2

Preamble: Hydro One will take full advantage of the OPA-Contracted CDM Programs, which are expected to achieve approximately 80% of Hydro One's CDM targets. To achieve the remaining 20%, Hydro One will undertake Board-Approved CDM programs. Figure 1 summarizes Hydro One's anticipated peak savings, and energy savings achievements for OPA Contracted and Board-Approved CDM Programs for the 2011 to 2014 period.

- a) Provide the basis of the 80% split between OPA and HON targets and budgets.
- b) Provide the documentation that shows the OPA program allocation of 181 million to HON.
- c) Provide a copy of the consultant(s) report(s) on the Economic potential for CDM in HON's service territory.
- d) For the OPA programs provide more details on the allocation methodologies and the calculations for each sector.
- e) For HON is an allocation based on load or number of customers times average use more appropriate? Please comment and provide illustrations.
- f) Did HON arrive at its programs on a similar methodology, or were they designed on a bottom up basis? Please describe.

Response

- a) Hydro One Completed a consultant's study that indicated approximately 71% of Hydro One's CDM target can be achieved through OPA-Contracted Programs. This information was subsequently updated to arrive at 80%, which is in line with the OPA's projected contribution for their province-wide programs. Please refer Exhibit I, Tab 1, Schedule 4, Attachment 1.
- b) It is important to note that the information provided in Figure 3 was Hydro One's best estimate of our budget in delivering OPA-contracted programs. For further details on OPA budget allocation, please refer to Exhibit I, Tab 5, Schedule 2, part f.

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- 2 c) Please refer to Attachment 1 of Exhibit I, Tab 6, Schedule 3 for a copy of the CDM
- 3 potential study.
- 4
- 5 d) The allocation of our targets by sector mirrors those assumed in the province-wide
- 6 programs. The methodology used for the province-wide programs is based on
- 7 assumptions that were developed by the working groups.
- 8
- 9 e) The appropriateness of this methodology will depend on the particular initiative and
- 10 the characteristics of the market.
- 11
- 12 f) Pursuant to Section 4.1.1 of the CDM Code, HONI was required to complete cost-
- 13 effectiveness analysis for all of the proposed OEB-approved initiatives. As a result, a
- 14 bottom-up analysis was performed that was based on estimates of the expected
- 15 penetration rates and the projected demand and energy savings per participant.
- 16
- 17

Vulnerable Energy Consumers Coalition (VECC) INTERROGATORY #2 List 1

Interrogatory

Reference: Exhibit B Tab 1 Schedule 2 Exhibit C Initiative C

Preamble: The first step in developing the CDM strategy was to examine Hydro One's service territory and customer base from a CDM perspective. Hydro One extended its end-use analysis to further understand its customer base.

- a) Provide copies of the report(s) that Hydro One prepared to understand its residential customer base. If not available provide information on loads by regional locations, customer average uses for electric and non electric space and hot water.
- b) Provide all reports prepared for OPA and Hydro One that establish the profile of Hydro One's Residential Customer base in terms of
 - i) Numbers by region
 - ii) Domicile-archetype
 - iii) Own/rent
 - iv) Income level
 - v) Annual electricity consumption
- c) Provide similar Province-wide data to position HON within the totals.
- d) How will HON customers access the programs will there be a similar registration system to OPA and will customers need to register twice (Once with OPA and Once with HON)?

Response

- a) Please see Exhibit I, Tab 5, Schedule 1, part a, b and c.
- b)
 - i) Hydro One's Residential customers by region in 2009 is provided below:

Zone	Zone 1	Zone 2	Zone 3A	Zone 3B	Zone 4	Zone 5	Zone 6	Zone 7
Number of residential customers	118,403	95,774	129,805	129,634	147,221	93,548	101,288	33,355

Zone 1: West

Zone 2: West Central
Zone 3A: Central
Zone 3B: East Central
Zone 4: East
Zone 5: Georgian Bay
Zone 6: Northeast
Zone 7: Northwest

ii) Please see Exhibit I, Tab 5, Schedule 1, part b.

iii) Please see Exhibit I, Tab 5, Schedule 1, part b.

iv) Please see Exhibit I, Tab 5, Schedule 1, part b.

v) Hydro One's Residential annual electricity consumption by region in 2009 is provided below:

Zone	Zone 1	Zone 2	Zone 3A	Zone 3B	Zone 4	Zone 5	Zone 6	Zone 7
Billed GWh	1562.537	1393.535	1950.531	1696.224	2102.756	1363.426	1356.975	507.004

c) Hydro One does not have similar province-wide data from the OPA. Information available from Statistics Canada 2008 Ontario Dwelling Characteristics and Household Equipment Survey for dwelling type, own/rent and income is provided below.

Type of dwelling	Estimated number of households '000	Percentage
Single detached	2,854	58.50%
Single attached	650	13.30%
Apartment	1,353	27.70%
Other	not provided	not provided

Type of Tenure	Estimated number of households '000	Percentage
Owned	3,273	67.10%
Rented	1,606	32.90%

Average household income before tax	80,412
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d) Please refer to Exhibit I, Tab 1, Schedule 2.

Vulnerable Energy Consumers Coalition (VECC) INTERROGATORY #3 List 1

Interrogatory

Reference: Exhibit B Tab 1 Schedule 2 Exhibit C Initiative 9

Preamble: A total budget of \$181 million was established after adding another \$15 million for the Low Income Program. The OPA budget for low income is not yet finalized. The \$15 million budget for low income is based on Hydro One's percentage of the number of customers in the Province.

- a) Provide the OPA/HON the definition of qualifying low income customers (e.g. Low Income Families that pay their own electricity bills with an annual income < Stats Canada LICO +125%).
- b) Provide a profile of HON and Provincial Low Income customers by region and by other demographics such as those requested in IR#2b).
- c) What is HONs percentage of residential Low income customers relative to the provincial total? Provide the data.
- d) Why is the proposed \$15 million budget appropriate? Benchmark this budget to
 - i) The total Residential spend (OPA and HON)
 - ii) The Ontario gas utilities and
 - iii) Other Canadian jurisdictions specifically, Manitoba BC and Quebec
- e) Is HON planning to supplement the OPA LI Programs. Please provide details of these LI programs.
- f) Compare the proposed OPA/HON LI Programs to those of BC Hydro, Hydro Quebec and Manitoba hydro in terms of
 - i) Annual Budget
 - ii) Spend per LI Customer

Response

- a) HONI is currently a member of the Low Income working group and is working very closely with the OPA to determine the details of the Low Income Program design. These details (which include a definition of qualifying customers) have not been finalized.
- b) As indicated in a) above, the work is currently under way within the activities of the Low Income working group. At this point, this work has not been finalized.

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2 c) Hydro One's share of the total number of residential customers in the province is
3 approximately 25%. HONI's share of low income customers is currently being
4 analyzed and remains undetermined.

5
6 d) The \$15 million budget is based on an estimate of Hydro One's share of the total
7 number of residential customers in the province (22% to 25%).

8
9 According to the 2009 OEB Yearbook, HONI serves approximately 25% of the total
10 residential customers in Ontario. The total number of residential customers in the
11 Province is 4.3 million and the total number of HONI residential customers is
12 1.1 million.

13
14 i) Hydro One's total residential budget is estimated at \$63.2M (\$58.7M for OPA
15 province-wide programs and \$4.5M for proposed OEB-approved initiatives).
16 This compares with an estimated budget of \$15M for our Low Income customers.

17 ii) We do not have this information.

18 iii) We do not have this information.

19
20 e) There are no plans to supplement the OPA LI program.

21
22 f) A comparison against the low income programs of BC Hydro, Hydro Quebec and
23 Manitoba Hydro has not been conducted.

Vulnerable Energy Consumers Coalition (VECC) INTERROGATORY #4 List 1

Interrogatory

Reference: Exhibit B Tab 1 Schedule 2 Figure 4

- a) Why is Screening at a Program Level Appropriate? Please discuss.
- b) Provide details of TRC and PAC screening at a measure level for all measures in each program.
- c) Provide details of screening of Low income programs at a measure level as well as program level.

Response

- a) Pursuant to the OEB CDM Code (Section 4.1.1), “ a distributor may only apply to the Board for the approval of CDM programs that are cost effective.”. Therefore, it is appropriate to screen at the program level.
- b) Please refer to Exhibit I, Tab 1, Schedules 7, 18, 25, 33, 39, and 48.
- c) Hydro One is currently a member of the Low Income working group and is working very closely with the OPA to determine the details of the Low Income Program design. At this point, this program has not been finalized and these details are not available.

Vulnerable Energy Consumers Coalition (VECC) INTERROGATORY #5 List 1

Interrogatory

Reference: Exhibit B Tab 1 Schedule 2 Figure 5

- a) Provide the annual cost of the programs 2011-2014 on a per customer basis for residential customers given the proposed allocation of budgets for both OPA and HON programs separately.
- b) Provide an estimate of the impact of the total CDM on residential customers (year round and seasonal with consumption of 250, 500, 750 and 100kwh per month assuming average load profiles.

Response

- a) Hydro One 's estimate of the cost of the programs 2011-2014 on a per customer basis for residential customers for Board Approved programs is provided in the table below.

Board-Approved residential program				
	2011	2012	2013	2014
Cost on a per residential customer	\$1.1	\$1.0	\$1.0	\$1.0

Annual information for OPA-contracted programs cannot be provided at this point in time.

- b) The proposed residential programs (Neighbourhood Benchmarking and Community Education) are made available to specific customer segments and not the entire residential sector. Therefore, the monthly impacts across the sector are not applicable and have not been calculated.

Vulnerable Energy Consumers Coalition (VECC) INTERROGATORY #6 List 1

Interrogatory

Reference: Exhibit B Tab 1 Schedule 2 Monitor and Control

- a) Is HON planning to claim any SSM or LRAM for its CDM programs?
- b) If so will there be an independent audit or will OPA perform this function. Please discuss how accountability to ratepayers will be achieved.
- c) Will HON and HO Brampton conduct one set of E&V activities for all programs?
- d) How will E&V be coordinated with OPA?
- e) What is the annual cost of the E&V? Provide a breakdown by activity and year.

Response

- a) Please refer to Exhibit I, Tab 5, Schedules 14 and 15.
- b) Please see response to (a)
- c) We will combine our EM&V efforts where appropriate and where it results in reduced costs that would make our efforts more cost effective.
- d) Hydro One will follow the OPA EM&V Protocol and use OPA's Measures and Assumptions List.
- e) Annual EM&V costs typically represent approximately 5% of the total annual budget of the programs.

Vulnerable Energy Consumers Coalition (VECC) INTERROGATORY #7 List 1

Interrogatory

General- No Reference

- a) When is HON going to launch its programs and how will this mesh with OPA?
- b) Will HON hold meetings with stakeholders to develop details if program design and delivery?

Response

- a) The Program launch will vary by initiative depending on the timing of approval, funding, development schedule, and seasonality. As for meshing with the OPA programs, we will use best efforts to coordinate our activities to align with the OPA program schedules.
- b) There are no plans to hold stakeholder meetings regarding the proposed programs.