



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. <http://www.piac.ca>

Michael Buonaguro
Counsel for VECC
(416) 767-1666

February 14, 2011

VIA MAIL and E-MAIL

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

Dear Ms. Walli:

Re: Vulnerable Energy Consumers Coalition (VECC)
Notice of Intervention: EB-2010-0144
Waterloo North Hydro Inc. – 2011 Electricity Distribution Rate Application

Please find enclosed the technical conference questions of VECC in the above-noted proceeding.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

cc: Waterloo North Hydro Inc.
Attention: Mr. Rene Gatien

WATERLOO NORTH HYDRO INC.

2011 DISTRIBUTION RATE APPLICATION (EB-2010-0144)

VECC'S TECHNICAL CONFERENCE QUESTIONS

QUESTION #TC 1

Reference: Board Staff #8 b)

- a) Please re-do Table IR #8 b) (USoA 4705 Power Updated) using the forecast RPP price from the October 2010 RPP Report (i.e., \$68.38/MWh).
- b) With respect to Table IR #8 b) (Update to USoA 4714) please explain why:
 - The 2009 actual billing quantities are only adjusted for CDM in order to obtain 2010 and 2011 values, as opposed to also allowing for projected changes in purchases – prior to CDM.
 - A 100% load factor is used when translating kWh CDM savings into kW.
- c) With respect to the second bullet in (b), what would be the kW CDM adjustment for Network charges in 2009 and 2011 if the translation was done using Kingston's overall load factor?

QUESTION #TC 2

Reference: Board Staff # 29 e) and #30 d)

- a) Please confirm that the planed incremental charges to the Embedded Distributor are not reflected in the cost allocation results shown in Table IR #29 (e).

QUESTION #TC 3

Reference: Board Staff #39

- a) With respect to Table IR #39, please break the capital spending for 2008, 2009, 2010 and 2011 down as between Residential and GS<50 and report the resulting capital cost per meter by class.
- b) What is the anticipated cost per meter for the 2,700 polyphase meters planed for 2011 as compared to the cost per meter for the Smart Meters installed for Residential and GS<50 customers in 2008-2010?

QUESTION #TC 4

Reference: Energy Probe #14 b)
VECC #11 b)
Exhibit 7, page 4, Table 7-2

- a) The 2011 revenues (at existing rates) by customer class reported in Energy Probe #14 b) appear to be before netting out the transformer allowance, since the allowance is subtracted as a separate line. However, the revenues by class reported in Energy Probe #14 b) are the same as those shown in VECC #11 b) – which are after the transformer allowance has been netted out. Please reconcile.

QUESTION #TC 5

Reference: Energy Probe #19

- a) With respect to part (a), please indicate which of the 2011 purchased/billed kWh values shown in Table IR #19 a) Waterloo North proposes to use for purposes of determining 2011 rates.
- b) Please indicate the basis for the 9,160,344 kWh values used in Table IR #19 a) for 2010 OPA kWh savings.
- c) Please indicate the basis for the 8,095,238 kWh values used in Table IR #19 a) for 2011 OPA kWh savings.

QUESTION #TC 6

Reference: VECC #5

- a) The information provided in Table IR #5 does not respond to the question as posed. Please provide the schedule as originally requested.

QUESTION #TC 7

Reference: VECC #8 c)
Energy Probe #19 a)

- a) Attachment 1 is Exhibit JT1.1 from EB-2010-0133, see Worksheet “OPA steps 1,2”. (Note: The EB # quoted in the original IR was incorrect. Pages

14-15 of the Technical Conference Transcript for EB-2010-0133 confirm that the material was used by the OPA in developing its advice to the OEB on CDM targets for distributors). Please respond to VECC #8 c) as originally posed.

QUESTION #TC 8

Reference: VECC #19 a)
Exhibit 2, pages 21-27, Tables 2-3 to 2-9 inclusive

- a) Please confirm that in each year, 2004-2009 inclusive, actual capital spending was less than the approved capital budget amount.
- b) Please confirm that over the period 2004-2009 inclusive, the average annual capital budget (net) amount approved was \$15,609,580 while average actual annual capital spending was \$11,148,716.
- c) Please explain why approved capital budgets exceed actual capital expenses in every year and to a significant extent.
- d) Please update Table 2-9 to reflect actual 2010 capital expenditures.

QUESTION #TC 9

Reference: VECC #19 b)

- a) Please provide a copy of the 2011 capital budget that was presented to the Board of Directors in December 2010 along with any and all other materials provided with the budget to the Board including, but not limited to, any slides, supporting documents, related information distributed by e-mail, etc.
- b) Was the 2011 capital budget approved as presented to the Board of Directors? If so please provide the date of approval and the minutes of the Board meeting relating to the capital budget.
- c) If the 2011 capital budget approved by the Board of Directors varied in any way from the 2011 capital budget presented to the Board of Directors, please provide a copy of the 2011 approved capital budget along with the date of approval and the minutes of the Board meeting relating to the capital budget.
- d) Please provide a copy of the five year capital plan reviewed by the Board of Directors “[a]t WNH’s presentation of the 2010 capital budget.” (Emphasis added.) Please also include any other materials provided to the Board of Directors relating to this five year capital plan.

- e) Please provide a copy of the most recent five year capital plan, i.e., presumably the one prepared after the plan reviewed by the Board when the 2010 capital budget that is referred to in part d) of this question and reviewed in December 2010. Please also include any other materials provided to the Board of Directors relating to this five year capital plan.

QUESTION #TC 10

Reference: Exhibit 4, page 21, Table 4-5

- a) Please update this table to include 2010 actual OM&A expenses.

QUESTION #TC 11

Reference: Exhibit 4, page 21, Table 4-5
VECC #22 a)

- a) Please confirm that in each year 2005-2009 inclusive, actual OM&A costs incurred were less than Total Controllable Costs as approved by WNH's Board of Directors in the Approved Operating Budget.
- b) Please confirm that over the period 2005-2009 inclusive, the average annual Total Controllable Costs as approved by WNH's Board of Directors in the Approved Operating Budget was \$10.393M while average actual annual OM&A spending was \$8.539M.
- c) Please explain why approved OM&A budgets exceed actual OM&A expenses in every year and to a significant extent.
- d) Please provide a breakdown of 2004 actual OM&A expenses.

QUESTION #TC 12

Reference: VECC #22 b)

- a) Please provide a copy of the 2011 Operating Budget that was presented to the Board of Directors in December 2010 along with any and all other materials provided with the budget to the Board including, but not limited to, any slides, supporting documents, related information distributed by e-mail, etc.

- b) Was the 2011 operating budget approved as presented to the Board of Directors? If so please provide the date of approval and the minutes of the Board meeting relating to the operating budget.
- c) If the 2011 operating budget approved by the Board of Directors varied in any way from the 2011 operating budget presented to the Board of Directors, please provide a copy of the 2011 approved operating budget along with the date of approval and the minutes of the Board meeting relating to the operating budget.
- d) Please provide a copy of the five year operating expense plan reviewed by the Board of Directors “[a]t WNH’s presentation of the 2010 operating budget.” (Emphasis added.) Please also include any other materials provided to the Board of Directors relating to this five year operating expense plan.
- e) Please provide a copy of the most recent five year operating expense plan, i.e., presumably the one prepared after the plan reviewed by the Board when the 2010 operating budget that is referred to in part d) of this question and reviewed in December 2010. Please also include any other materials provided to the Board of Directors relating to this five year operating expense plan.

QUESTION #TC 13

Reference: VECC #27 f)
 VECC #28 a)
 VECC IRR, Appendix A, Attachments A and E

- a) Please clarify whether the 1,011,318 kWh value reported in response to VECC #27 f) is the kWh assumed saved per unit from the Residential Geothermal Energy Project for purposes of the SSM calculations
- b) Please reconcile the Originally Filed Annual kWh Saved (1,011,318 kWh) as reported in VECC #27 f) with that reported in VECC #28 a) (28,019 kWh).
- c) Please clarify the number of Geothermal Units achieved by year and in total. Please reconcile the 35 unit figure in VECC #27 f) and #28 a) with the 114 Unit value reported in Attachment E.
- d) Please clarify the input assumptions Waterloo North is now adopting regarding unit savings for the Residential Geothermal Energy for purposes of the SSM calculation: If different from the “as filed” values please recalculate the SSM claim.

- e) Please clarify the input assumptions Waterloo North is now adopting regarding unit savings for the Residential Geothermal Energy for purposes of the LRAM calculation: If different from the “as filed” values please recalculate the LRAM claim.

QUESTION #13

Reference: VECC #28 a)

- a) With respect to the Low Income Consumer Retrofit Program, please provide the specific references to the 2010 OPA Prescriptive/Quasi Prescriptive M&A Lists (page #) and calculations of annual savings (including operating hours)for following measures:
- 2 - T8 32W
 - 4 - T8 32W
 - 1 - T8 32W
 - 15W CFL -COMMERCIAL
 - 3W LED EXIT SIGN
 - 100W METAL HALIDE
- b) Discuss authority/explanation as to why values were chosen if different to the 2010 OPA M&A list values.
- c) Make any necessary changes to Annual Savings and LRAM to align with OPA M&A Lists.

QUESTION #14

Reference: VECC #29 a)

- a) Please provide details regarding the Amended Residential LRAM claim, i.e., what specific components were modified?

WATERLOO NORTH HYDRO INC.
2011 RATE APPLICATION (EB-2010—0144)
VECC TECHNICAL CONFERENCE QUESTIONS

ATTACHMENT I

EB-2010-0133 - EXHIBIT JT1.1

Step 1 : Prov. savings for 2011-14 activities

Cumulative summer peak demand reduction (MW)	2008	2009	2010	2011	2012	2013	2014
IPSP (as filed in 2007, at generator, incl. avoided Dx/Tx losses)	251	620	1,407	1,735	2,064	2,392	2,722
Updated near term IPSP projections (at generator, incl. avoided Dx/Tx losses)	259	632	1,007	1,534	2,078	2,640	3,045
Remove avoided Dx and Tx losses	-17	-42	-67	-103	-139	-177	-204
Subtotal 1 (province wide, at end user, 2008-14 activities)	242	590	940	1431	1939	2463	2841
Remove savings from 2008 – 2010 activities	-242	-590	-940	-492	-471	-435	-431
Subtotal 2 (province wide, at end user, 2011-14 activities)	0	0	0	939	1468	2028	2410
Remove savings outside of LDC influence							
Codes & standards	0	0	0	-140	-293	-447	-602
Direct-connected industrials (EE, CBG & DR)	0	0	0	-267	-321	-386	-418
Other influenced (e.g. gov't programs)	0	0	0	-14	-28	-42	-56
Aboriginal	0	0	0	-1	-1	-2	-3
LDC AGGREGATE TARGET (2011-14)	0	0	0	517	824	1150	1329
Breakdown of LDC Aggregate Target (For info only; target would NOT be assigned by sector)							
Residential energy efficiency	0	0	0	34	67	100	133
Commercial energy efficiency	0	0	0	90	192	295	382
Residential demand response	0	0	0	2	4	6	8
Small commercial demand response	0	0	0	1	1	2	2
Smart meters	0	0	0	66	156	268	308
Fuel switching	0	0	0	2	4	5	7
LDC connected industrial energy efficiency	0	0	0	9	25	40	55
LDC connected commercial demand response	0	0	0	158	190	221	221
LDC connected Industrial demand response	0	0	0	155	185	213	213
Total	0	0	0	517	824	1150	1329

Cumulative annual energy (GWh)	2008	2009	2010	2011	2012	2013	2014
IPSP (as filed in 2007, at generator, incl. avoided Dx/Tx losses)	800	1,900	6,900	8,800	10,700	12,500	14,300
Updated near term IPSP projections (at generator, incl. avoided Dx/Tx losses)	507	1,030	1,852	3,306	5,005	6,802	8,582
<i>Remove avoided Dx and Tx losses</i>	<i>-34</i>	<i>-69</i>	<i>-124</i>	<i>-222</i>	<i>-335</i>	<i>-456</i>	<i>-575</i>
Subtotal 1 (province wide, at end user, 2008-14 activities)	473	961	1,728	3,085	4,670	6,346	8,007
<i>Remove savings from 2008 - 2010 activities</i>	<i>-473</i>	<i>-961</i>	<i>-1,728</i>	<i>-1,629</i>	<i>-1,582</i>	<i>-1,512</i>	<i>-1,486</i>
Subtotal 2 (province wide, at end user, 2011-14 activities)	0	0	0	1456	3088	4834	6521
<i>Remove savings outside of LDC influence</i>							
Codes & standards	0	0	0	-534	-1,102	-1,744	-2,405
Direct-connected industrials (EE, CBG & DR)	0	0	0	-242	-583	-967	-1,344
Other influenced (e.g. gov't, gas LDCs)	0	0	0	-100	-199	-299	-396
Aboriginal	0	0	0	-3	-7	-12	-16
LDC AGGREGATE TARGET (sum of 2011-14 annual savings)	0	0	0	577	1197	1812	2360
<i>Breakdown of LDC Aggregate Target</i>							
<i>Residential energy efficiency</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>159</i>	<i>314</i>	<i>470</i>	<i>620</i>
<i>Commercial energy efficiency</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>329</i>	<i>699</i>	<i>1,070</i>	<i>1,384</i>
<i>Residential peaksaver</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Commercial peaksaver</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Smart meters</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Fuel switching</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>11</i>	<i>21</i>	<i>32</i>	<i>43</i>
<i>LDC connected industrial energy efficiency</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>45</i>	<i>121</i>	<i>193</i>	<i>265</i>
<i>LDC connected commercial demand response</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>17</i>	<i>21</i>	<i>25</i>	<i>25</i>
<i>LDC connected Industrial demand response</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>16</i>	<i>20</i>	<i>23</i>	<i>23</i>
Total	0	0	0	577	1196	1813	2360

Total	0	0	0	377	1196	1813	2390	Cumulative energy (GWh) savings (2011-14)
Residential energy efficiency							1563	
Commercial/institutional + Industrial energy efficiency							4383	