



***PUBLIC INTEREST ADVOCACY CENTRE  
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February 25, 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)  
EB-2010-0140  
Parry Sound Power Corporation – 2011 Electricity Distribution Rate  
Application**

Please find enclosed the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC  
Encl.

**PARRY SOUND POWER CORPORATION**  
**(PARRY SOUND)**  
**2011 RATE APPLICATION (EB-2010-0140)**  
**VECC'S INTERROGATORIES – ROUND #2**

(Note: Numbering continues from Round #1 Interrogatories)

**QUESTION #33**

**Reference:** VECC #3 b) and c)

- a) Please confirm that Parry Sound participates in the OPA's "Peak Saver Program". If so, what is the load factor associated with kW's saved under this program.
- b) Based on 2009 Net Results (per IRR Attachment A), please provide the total kWh, kW and load factor associated with the savings. Please compare this load factor with Parry Sound's overall system load factor based on total annual energy purchased and overall system peak..
- c) Has Parry Sound approached either the OPA or the OEB to obtain clarification regarding its interpretation of "Net Cumulative Energy Savings"? If yes, please provide the response(s). If not, why not?

**QUESTION #34**

**Reference:** VECC #3 e) & f)

- a) Please update the response to 3 f) to provide the 2010 year-end customer count by class and the resulting 2010 average annual values by class.
- b) Please provide a table that sets out the geometric growth rates used in the Application for each class to project 2010 and 2011 customer counts and

contrast these with the geometric growth rates calculated for each class using 2010 as the end year.

### **QUESTION #35**

**Reference:** VECC #7 b)

- a) The response specifically acknowledges that “*The Board indicated that it did not expect distributors to make changes to the MSC that would result in such exceeding the ceiling as defined in the methodology for the MSC and that distributors that are currently above that value are not required to make changes to their current MSC to bring it to or below that level*”. Please explain how Parry Sound’s proposal to increase the GS>50 MSC to a value in excess of the ceiling as defined by the methodology for MSC is consistent with this statement.

### **QUESTION #36**

**Reference:** VECC #9

- a) VECC apologizes for the lack of clarity in the original question. The original question actually sought the 2009 LV billing quantities used by Hydro One Networks for billing Parry Sound for LV service and also sought the result of applying Hydro One Networks’ approved 2011 LV (ST) rates to these billing quantities. Please provide.

### **QUESTION #37**

**Reference:** VECC #14 a) & b)

- a) Has Parry Sound purchased more than one type of Smart Meter over the 2007-2010 period? If so, please provide a schedule that describes the different types of smart meters purchased, the number of each type and total capital costs by type. Please reconcile the resulting total capital expenditure with the capital spending reported at Exhibit 9, Tab 1, Schedule 3, page 4.
- b) Please provide a schedule that sets out the number of smart meters, by type, that were installed for each customer class over the 2007-2010 period.

### **QUESTION #38**

**Reference:** I) Exhibit 10 Tab 1 Schedule 2, Burman Report, page 6 and Attachments A and E (as filed);  
II) VECC IRR#16 and 17 IRR Attachments A-D (Spreadsheet)

**Preamble:** Parry Sound has changed the input assumptions and kWh Savings for CFLs and other measures under the Lighten Your Electricity Bill 2005 and Light Bulb Giveaways 2006 and 2007.

- a) Provide a comparison table of the original (as filed) and revised source(s) and Input assumptions for the following 3<sup>rd</sup> tranche CDM programs

#### **Lighten Your Electricity Bill 2005**

- CFLs
- SLEDs - 5W
- SLEDs - Mini Lights
- Programmable Thermostat - Space Heating
- Programmable Thermostat - Space Cooling
- Timer - Outdoor Light
- Timer - Indoor Light

- Ceiling Fan

—# units and unit kwh savings, operating hours, lifetime and free ridership for each year 2005-2009.

### **Light Bulb Giveaways 2006/2007**

—# units and unit kwh savings, operating hours, lifetime and free ridership for each year 2005-2009.

- Provide a detailed explanation of the basis of change(s).
- Provide a calculation of the Residential Third Tranche kWh and LRAM claim using **ONLY** the OPA 2009/2010 M&A List Input Assumption values and refile Schedules A,B D and E

### **QUESTION #39**

**Reference:** I) Exhibit 10/Tab 1/Schedule 2, Burman Report, page 6 and Attachments A, B:  
II) VECC #18

**Preamble:** The OPA 2009 final results were not found in the Spreadsheet filed in response to VECC IRs (Tab Blank)

- a) File the OPA 2009 Final results.
- b) Confirm/correct the change in kWh savings and Residential LRAM claim for the 2009 EKC and Power Savings Event.
- c) Provide a Total LRAM claim in the format of Attachment D showing the third tranche and OPA components.

- d) Provide a final LRAM/SSM claim and Rate riders incorporating the response to VECC IR #39 part c and VECC IR #40 part c.

#### **QUESTION #40**

**Reference:** OEB Staff #4

- a) Please update the response for the table provided in the response to reflect the actual sales for 2010.

#### **QUESTION #41**

**Reference:** OEB Staff #51

- a) Parry Sound's response does not explain why the distribution revenues by customer class reported in Column 7C of Appendix A do not match the distribution revenues by class as shown in Table 2 (Exhibit 7/Tab 1/Schedule 2, page 5). Please reconcile.

#### **QUESTION #42**

**Reference:** OEB Staff #17

- a) PSP's response to the referenced question appears to indicate that the duties carried out by the president and vice president/financial officer will decrease in 2011 inasmuch as these senior management personnel will no longer be responsible for any non-utility matters. If this is the case, please explain fully why the related wages and benefits for 2011 are not reduced to 70% of the 2010 level, given that this was the percentage of their compensation that was attributed to their utility activities in 2010. If this is not the case, please explain fully.

- b) Please identify all specific steps that PSP has taken in the reorganization (subsequent to the OEB's denial of PSP's requests for ARC exemptions), to streamline and realign management and staff roles in the new, standalone utility and minimize FTE requirements.

#### **QUESTION #43**

**Reference:** VECC #28 b) and c)

- a) Please provide an update to the referenced IR responses.

#### **QUESTION #44**

**Reference:** VECC #26 c)

- a) Please provide the names and affiliations of the members of the utility's Board of Directors and indicate how long each has served in that capacity.

#### **QUESTION #45**

**Reference:** VECC #29 b)

- a) Please indicate the methodology by which PSP estimated the components of the Test Year Billing and Collecting costs.

#### **QUESTION #46**

**Reference:** VECC IR #23 a)

Exhibit 2 Tab 2 Schedule 3 page 36

Exhibit 2 Tab 3 Schedule 2 Appendix A page 6 of 34 (paginated as page 5 in the Rodan Asset Management Report)

- a) Please reconcile the \$1,211,781.73 found in the second reference with the amount of \$1,118,213.32 in the third reference (2011 capital “budget”).
- b) Please indicate how PSP has adopted, in its pre-filed materials, the Rodan recommendation that states (under Table 2 on page 6 of 34): *“Should PSP wish to pursue the implementation of these projects, a price quotation from one or more vendors based on detailed scope of work including equipment specifications is necessary.”*
- c) Can PSP confirm that the capital budgets approved by its Board of Directors for years 2012-2014 inclusive will be identical to the costs shown in Table 2 of the Rodan report? Please explain fully.

#### **QUESTION #47**

**Reference:** VECC # 30 a)

Exhibit 2 Tab 3 Schedule 2 Appendix A

Exhibit 4 Tab 1 Schedule 1 page 3

VECC #32 a)

- a) Please indicate how the 2011 Test \$ for 2011 shown on Exhibit 4 Tab 1 Schedule 1 page 3 are related to the figures provided in the Asset Management Report at Exhibit 2 Tab 3 Schedule 2 Appendix A.
- b) Please show how the 2010 operating budget approved is related to the figures provided in the Asset Management Report at Exhibit 2 Tab 3 Schedule 2 Appendix A.
- c) Since VECC #32 a) indicates that the final Report was provided to PSP on September 14, 2010, please explain how it could have been relevant to any approved 2010 operating budget.