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September 28, 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) Interrogatories

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

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

OSHAWA PUC NETWORKS INC.(Oshawa)
2012 RATE APPLICATION (EB-2011-0073)

VECC TECHNICAL CONFERENCE QUESTIONS

Issue 3.1 – Is the load forecast methodology including weather normalization appropriate?

1 Reference: VECC IR #10

a) Why was the model with Oshawa Unemployment selected for purposes of preparing the Application as opposed to Scenario IV (with Ontario GDP instead) since it has a higher Adjusted R-Square value?

2 Reference: VECC IR #14 and #17
Energy Probe IR #36

a) What are the revised 2012 sales forecasts (kWh and kW – where applicable) for each customer class based on the Oshawa's revised purchase forecast for 2012 (per VECC #17 d))?

3 Reference: SEC IR #24
Energy Probe IR #33

a) In responding to these IRs please confirm whether the actual January – June 2011 data used was: a) purchases or b) sales by customer class.

b) With respect to the 2011 forecasts per the Oshawa Budget and 2011 with YTD values, the results for the GS 50-999; GS 1000-4999; Large Use; Street Lighting and USL classes appear to be materially different from the results presented for either 2010 or the 2011 Bridge Year forecast. Please review and either correct or explain the basis for the differences.

Issue 3.2 – Are the proposed customers/connections and load forecasts (both kWh and kW) for the test year appropriate?

Issue 3.3 – Is the impact of CDM appropriately reflected in the load forecast?

4 Reference: VECC IR #14 and #17
Energy Probe IR #36

a) Please confirm that Oshawa has interpreted "cumulative energy savings" as used in reference to its 2011-2014 energy savings target (per VECC #17 b) and f)) as representing the savings occurring in 2014 from CDM programs implemented in the years 2011-2014 inclusive.

b) An alternative interpretation would be that “cumulative energy savings” represents the total cumulative savings achieved over the four year period 2011-2014 from CDM programs offered in those years as opposed the savings persisting in 2014 from CDM programs offered over the four period. Based on this alternative interpretation Oshawa’s cumulative energy savings from its current plan would be 137.18 GWh (12.124+28.572+44.244+52.24). What is the basis for Oshawa’s interpretation of “cumulative energy savings”?

<u>Issue 3.5 – Are the proposed revenue offsets appropriate?</u>

5 Reference: Energy Probe IR #38

a) Please explain the material increase in Interest and Dividend Income (Acct. #4405) in the first half of 2011 versus 2010. Also, based on these results to date please indicate whether or not the 2011 and 2012 forecasts should be increased and explain why.

<u>Issue 7.1 – Is the Applicant’s cost allocation appropriate?</u>

6 Reference: Board Staff IR #47
VECC IR # 27 a)
OPUCN CA Model Version 2, Sheet I7.1

a) Please confirm that all GS<50 customers use single phase smart meters.

b) What is the basis for $125, $300 and $1,000 values used for meter capital costs in Sheet I7.1? Are they all the same in terms of purchase year assumed?

7 Reference: VECC IR #27 b)
VECC IR #17 d)

a) Please provide an updated response to VECC #27 b) and an updated cost allocation run based on the revised load forecast per VECC #17 d). In doing so please ensure that Worksheets I6 and I8 are revised appropriately.

8 Reference: Energy Probe #64 e)
VECC IR #28 d)

a) Please provide a revised response to Energy Probe #64 e) based on the Cost Allocation revised per the updated load forecast for 2012.

b) In the response provided to VECC #28 d) the revenue to cost ratio for GS 50-999 declines from the status quo value of 93.4% to 91%. If the ratios for just Street Lighting and Sentinel Lighting were increased (above 70%) to the same value in order to offset the $70,000 shortfall what would the resulting ratio be?

c) Please re-do the response to part (b) based on the Cost Allocation revised per the updated load forecast.

Issue 8.1 – Are the fixed to variable splits for each class appropriate?

9 Reference: Energy Probe IR #65 a)

a) With respect to both the original Table 4 and that provided in response to Energy Probe #65 a), for those customer classes eligible for the transformer ownership credit were the variable revenues used in determining the fixed-variable split net of the ownership credit? If not, please re-do Tables 4 and 5 in the IR response using the net variable revenues.

Issue 8.4 – Is the Applicant's proposed Tariff of Rates and Charges appropriate?

10 Reference: Board Staff IR #51 a)

a) Please provide a schedule that sets out changes to its application that Oshawa considers as being appropriate and required as a result of the IR process. For each change please identify the relevant IR and the impact on the 2012 requested rate base and revenue requirement.

Issue 9.1 – Are the account balances, cost allocation methodology and disposition period appropriate?

11 Reference: VECC IR #30
EB-2007-0673, Supplemental Report of the Board, pages 31-32

Preamble: In its Part II Decision regarding EB-2008-0295 (pages 16) the Board authorized Oshawa to record in a deferral account $27,000 associated with its Concrete Pole Replacement project forecast to occur in 2009. The response to VECC #30 suggests that this spending never actually occurred as planned. The Board's Supplemental Report deals with the Incremental Capital Module actual capital spending during the IR plan.

a) Was there any capital spending on the Concrete Pole Replacement program during 2009-2011. If not, why should Oshawa be eligible to recover the $27,000 initially recorded in Account 1508 – Capital Recovery Sub Account?

<u>Issue 9.2 – Are the proposed rate riders appropriate?</u>

12 Reference: Exhibit 9, page 24, Table 8
Smart Meter Spreadsheet Oshawa_Smart Meter Rev. Requirements Workings_20110531.xls
Board Staff IR #61
VECC IR #30

Preamble: VECC acknowledges there was an error in the numbering of its original interrogatories. However, Oshawa PUC did not respond to VECC Interrogatory #30 (as numbered in the questions filed).

a) Please provide a response to VECC #30 (as filed) which requested Oshawa PUC to:
   - Please provide a breakdown in Table 8 (supported by the Spreadsheet) of the Revenue Requirements of 2009-2012 and Revenue Collected between Residential and GS<50 classes.
   - Please reconcile the 2012 Rate Adder (refund) to the excess/deficit revenue collected from each class. Adjust as required.
   - When will Oshawa file evidence for a full prudence review of SM costs?

b) Please reconcile any differences between the response to VECC #30 and the response to Board Staff #61

<u>Issue 10.2 – Are the (LRAM/SSM) input assumptions used by Oshawa PUC appropriate?</u>

13 Reference: Exhibit 8, pages 11-14, Tables 14 and 15
VECC IR #31 e)

Preamble: VECC #31 e) requested Oshawa to populate a Spreadsheet provided in Last Year's Case for 2010.

a) Please indicate when:
   i) OPA's Final Results will be incorporated into the LRAM claim.
   ii) A complete response to VECC #31 e) will be provided.
   iii) Whether this response will provided details of adjustments for all expiring measures?