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October 21, 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

RECEIVED

OCT 28 2011

ONTARIO ENERGY BD

Dear Ms. Walli:

Re: Vulnerable Energy Consumers Coalition (VECC)
EB-2010-0018: Interrogatories

Please find enclosed the interrogatories of VECC in the above-noted proceeding.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

Guelph Hydro Electric Systems Inc. (Guelph)

2012 Rates Application, EB-2010-0123

**Round 2 Interrogatories/Technical Conference
Vulnerable Energy Consumers Coalition ("VECC")**

Issue 2.1 - Is the rate base appropriate?

1 Reference: VECC IR #3

- a) What measure or metrics does Guelph intend to use to assess the future success (or failure) of the current asset management plan?
- b) In response to VECC IR #3 (d) Guelph notes that the asset management plan accounts for only a portion of its actual capital budget. In the IR response Guelph states that its capital budget incorporates the asset condition findings as well as the replacement of other distribution equipment that was not included in the asset condition assessment, but will be included in plans in the future. Why were these other projects not included in the current plan?
- c) At page 8 of the Asset Management Plan (Exhibit 2/Tab4/Schedule 5) it states that "*This AMP [Asset Management Plan] provides the bases for current and future work to be undertaken...and serves as a means of disseminating information to customers, shareholders and regulators regarding the rationale for the investments to be made.*" At Table 1 of the Asset Management Plan (Exhibit 2/Tab 4/page 8) the Total Investments for 2012 are listed at \$16.3 million. Please reconcile this number with the proposed capital budget in the application and list those 2012 projects that are included as part of the AMP separately from those that will presumably be included as part of a subsequent AMP.

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

**2 Reference: Reference: Board Staff #15 a) and d)
VECC #5**

- a) Please confirm that while the Board Staff IR asked about the use of Canadian vs. Ontario Manufacturing GDP the response discusses and the graph in the response compares Canadian vs. Ontario (total) GDP. If yes, is there similar information available regarding the correlation between Canadian vs. Ontario Manufacturing GDP?

8 Reference: Board Staff #18

- a) What was the actual total revenue from scrap metal sales in 2010?

9 Reference: Energy Probe #18 c)

- a) Please confirm that Account 4380 records expense and not balance sheet related costs. If this is the case, please explain how the account can capture the fully allocated amount of rate base used in the provision of street light maintenance.

Issue 6.1 – Is the proposed inclusion of the smart meter costs appropriate?

10 Reference: VECC #26

- a) In the response regarding the business case for the inclusion of the Zigbee communication chip in smart meters, Guelph indicates that it may be used in for future CDM or other plans. Are there any current plans for the use of the smart meter communications capabilities? If not, when and how does Guelph intend to make use of this incremental investment?

Issue 7.1 – Is the Applicant's cost allocation appropriate?

11 Reference: Board Staff #48

- a) In conjunction with its interrogatory responses Guelph has filed a revised Cost Allocation Model. Please provide a schedule that itemizes any changes made to the cost allocation model/inputs as originally filed apart from those that are directly a result of the Board's release of its new Cost Allocation model.

12 Reference: Board Staff #51

- a) Please confirm that Guelph is proposing to recover the LV costs attributable to Residential, GS<50 and USL customers using a fixed monthly rate as opposed to a volumetric rate as is typically used by distributors.
- b) Would an alternative be to post the forecast amounts to the appropriate variance account and recover as part of the subsequent clearance of the account?

13 Reference: Board Staff #54

- a) In Guelph's view, would "Number of RPP Customers" by rate class be a more appropriate allocator of SSS Admin Charge revenues?

**14 Reference: Energy Probe #49 and VECC #28
Board Staff #54**