



***PUBLIC INTEREST ADVOCACY CENTRE
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November 02, 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)
Submission of VECC Interrogatories EB-2011-0186
Niagara-on-the-Lake Hydro Inc.**

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.

cc: Niagara-on-the-Lake Hydro Inc.
Mr. Philip Wormwell, Director of Corporate Services

ONTARIO ENERGY BOARD

IN THE MATTER OF

the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15 (Schedule B), as amended;

AND IN THE MATTER OF an Application by
Niagara-on-the-Lake (NOTL)

for an order or orders approving or fixing just and reasonable
distribution rates to be effective January 1, 2012.

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

LRAM

VECC Question # 1

Reference: Manager's Summary, Page 8, 2012 IRM - LRAM Rate Rider Calculation

Preamble: NOTL is applying in this application for an additional LRAM claim.

- a) Please confirm the scope of the LRAM claim in this application.
- b) Please confirm that the LRAM amounts NOTL is seeking to recover in this application are new amounts not included in past LRAM recoveries.

VECC Question # 2

Reference: Burman Energy Consultants Inc. Report LRAM Support, Page 2

Preamble: The report indicates that in lieu of OPA published program evaluation results for 2010, 2009 program results were used as a best representative estimate for 2010 program year results. Adjustments to these estimates may be required to accurately reflect final OPA program evaluation results for 2010 programs.

When will the OPA results for the 2010 Programs be available and how may this affect the LRAM?

VECC Question # 3

Reference: Burman Energy Consultants Inc. Report, September 6, 2011, Attachment A

Preamble: Attachment A shows the OPA program results for 2010 and 2011 by customer class for the years implemented for each program.

- a) Please provide the net and gross program results for the residential programs implemented in 2006 and 2007 separately for each year.
- b) For several of the programs, the year implemented includes 2011. Please discuss the CDM activity for these programs in 2011.
- c) What input assumptions were used to calculate the energy savings in 2011? Does NOTL have any preliminary results from the OPA for 2011?
- d) In 2011, the Every Kilowatt Counts Power Savings Event has a lower net kWh savings than 2010. Please explain the difference.

VECC Question # 4

Reference: Burman Energy Consultants Inc. Report, September 6, 2011, Attachment D

- a) For each program for each year, please confirm the number of units, measure life, LRAM free ridership, annual energy savings (kWh/a) and annual peak demand savings (kW/a) at the program/measure level.
- b) List and confirm OPA's input assumptions for Every Kilowatt Counts (EKC) 2006 and 2007 separately including the measure life, unit kWh savings and free ridership for Compact Fluorescent Lights (CFLs) and Seasonal Light Emitting Diodes (LED). Confirm some of these assumptions were changed in 2007 and again in 2009 and compare the values.
- c) Demonstrate that savings for EKC 2006 Mass Market measures 13-15 W Energy Star CFLs have been removed from the LRAM claim in 2010 and 2011.
- d) Adjust the LRAM claim as necessary to reflect the measure lives and unit savings for any/all measures that have expired starting in 2010.

VECC Question # 5

Reference: Manager's Summary, Pages 7 to 8

- a) Please reproduce the table shown at the bottom of Page 7, from Page 4 of the consultant's report, to show the components by rate class of the requested LRAM claim for 2010 and 2011 separately.
- b) Please provide the calculation of the requested LRAM one-year recovery rate riders for each applicable rate class for 2010 and 2011 separately.

Z-Factor – Wind Storm

VECC Question # 6

Reference: Manager's Summary, Page 16

Preamble: 346 overtime hours for management and hourly staff are included in NOTL's wind-storm disaster costs.

- a) Please provide the number of hourly staff and management staff that worked overtime.
- b) What type of duties did management staff perform?
- c) What is NOTL's policy regarding the payment of overtime to management staff?

VECC Question # 7

Reference: Manager's Summary, Page 17

- a) Material costs are provided for distribution OH lines, poles and transformers. Please provide quantities and unit costs.
- b) LDCs and outside contractor costs in the amount of \$14,510 is shown. Please provide a breakdown of these costs including a description of work performed, hours involved and unit costs.
- c) Under Other costs, an amount of \$10,275 is shown for vehicles/safety. Please provide a description of these costs including need and unit costs.
- d) Please outline NOTL's capitalization policy, i.e. when poles/lines/transformers need to be repaired/replaced, what are the criteria used to determine whether the costs will be capitalized or expensed?
- e) Is NOTL planning to capitalize any of the costs incurred and included in the Z-factor claim? If so, please identify the assets and the related costs.

VECC Question # 8

Reference: Manager's Summary, Pages 17 to 18

Preamble: NOTL indicates that it does not have insurance for parts of the distribution system that were damaged and that its property insurance only covers NOTL headquarters office and major distribution assets such as transformer stations and distribution stations.

- a) Please provide a complete list of the parts of the distribution systems that were damaged. For each damaged asset, please provide an explanation why NOTL does not have insurance.
- b) Does NOTL have any insurance coverage for storm damage? If yes, please provide details of the coverage, the costs eligible for recovery, and the status of any claims including payments to date.
- c) Please provide information on the allowance for storm damage included in NOTL's base revenue requirement.
- d) Please provide a breakdown showing how much of NOTL's allowance for storm damage has been spent to date in 2011.
- e) Is NOTL eligible for any outside financial assistance? Please discuss.
- f) Has NOTL made any claims for other outside assistance to offset the storm damage costs?
 - i) If not, why not?
 - ii) If yes, please provide details including the status of each claim and payments received.
- g) Is NOTL's shareholder making any contributions to the cost?
 - i) If not, why not?
 - ii) If yes, please provide details.

VECC Question # 9

Reference: Manager's Summary, Page 19

Preamble: NOTL's evidence indicates "Reasonable and capped terms of compensation to Canadian Niagara Power were pre-established in a Mutual Aid Agreement that was originally signed by nine area LDCs in late 2006."

- a) Please describe what is meant by "reasonable and capped terms of compensation."

VECC Question # 10

Reference: Manager's Summary, Page 20

Preamble: Under the Prudence Criteria, NOTL indicates that materials utilized during the disaster were primarily obtained from NOTL's existing inventory.

- a) Please explain why NOTL has included these material costs in its Z-factor claim.
- b) Are the costs claimed based on the actual inventory cost or the cost of replacing the inventory? Is there a difference between the two?
- c) Please indicate the type and unit cost of the materials used that were not obtained from NOTL's existing inventory.