



***PUBLIC INTEREST ADVOCACY CENTRE***  
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November 15, 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-2011-0273**

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

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC  
Encl.

**GRIMSBY POWER INC. (Grimsby)**  
**2012 RATE APPLICATION (EB-2011-0273)**

**VECC TECHNICAL CONFERENCE QUESTIONS**

- 1 Reference: VECC #26 a)**  
**1.0 Energy Probe #32 and #33 a) & b)**

- a) Please confirm that the following table correctly sets out Grimsby's proposed 2012 revenue to cost ratios as well as its current status quo revenue to cost ratios based on VECC #26 a) and the Cost Allocation provided in response to Energy Probe #32. If not, please provide a correct table based on these references.

	<b><u>Proposed Revenue</u></b>	<b><u>Allocated Costs</u></b>	<b><u>Proposed R/C Ratio</u></b>	<b><u>Status Quo R/C</u></b>
<b>Residential</b>	\$3,380,555	\$3,169,606	106.66%	107.45%
<b>GS&lt;50</b>	\$518,531	\$505,818	102.51%	102.51%
<b>GS&gt;50</b>	\$582,817	\$734,858	79.31%	79.31%
<b>Street L.</b>	\$79,390	\$149,778	53.01%	36.01%
<b>USL</b>	\$22,151	\$23,385	94.72%	94.72%
<b>Total</b>	\$4,583,444	\$4,583,445		

- b) Please file an electronic copy of the updated Cost Allocation model referenced in Energy Probe 32.
- c) On November 14<sup>th</sup> Grimsby filed an updated Cost Allocation based on a total revenue requirement of \$4,579,534.
- i) Please explain the basis for the changed Revenue Requirement.
- ii) Were there any changes made to the model (i.e, the November 14<sup>th</sup> version vs. that underlying Energy Probe #32) other than revisions to the costs, i.e., were any of the customer data or were any of the allocation factors changed? If so, please indicate what changes were made and why.
- d) Please provide an update version of Appendix 2-O (Tables a), b) c) and d)) from the Filing Guidelines based on the November 14<sup>th</sup> Cost Allocation.

**2 Reference: Board Staff #10 d) iii)**

- a) Please reconcile the statement here that Ontario Real GDP is not correlated with energy purchases with the regression results presented in VECC #8 a).

**3 Reference: Board Staff #35**

- a) What is the basis for the forecast 2012 \$130,000 of LV cost used to derive the LV rates?

**4 Reference: Board Staff #47 a)**

- a) In its response Grimsby states that it has calculated its Smart Meter Disposition Rider consistent with the Board's EB-2010-0209 Decision. However, in that Decision the Board approved the use of class specific disposition riders calculated by allocating the amount to be recovered to individual customer classes in proportion to the capital investment by class. In contrast Grimsby's proposal does undertake any such allocation and simply derives an average disposition rider which is applied to all classes (See Exhibit 9, page 32). Please reconcile the first statement in the response with the proposal as set out in Exhibit 9.
- b) If not done so, please calculate separate disposition riders by class based on the methodology approved by the Board in EB-2010-0209

**5 Reference: Energy Probe #10 a) & b)**

- a) Please confirm whether the 2012 forecast values provided in these responses are before or after the CDM adjustment.

**6 Reference: Energy Probe #13**

- a) With respect to Account 4375, please provide the reasons for the significant increase in the 2011 YTD value relative to YTD 2010.
- b) Based on the explanation provide in part a) do the 2011 and 2012 forecasts (Exhibit 3, page 35) need to be revised? Please explain.
- c) With respect to Account 4380, please explain why the 2011 YTD expenses for Non-Utility Operations are increasing relative to 2010 when the revenues (Account 4375) are increasing.
- d) Do the 2011 and 2012 forecast values for Account 4380 need to be updated? Please explain why.
- e) VECC #25 states that the 2011 forecast value for Account 4405 should be updated to \$10,000. Given that the YTD value for 2011 is \$11,000 why shouldn't the forecast value for the full year be higher?

- f) Does the 2012 forecast for Account 4405 need to be updated from the \$3,000 in the original Application?