



November 21, 2011

BY EMAIL/COURIER/RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Dear Ms. Walli,

**RE: Whitby Hydro Electric Corporation
Application for 2012 Electricity Distribution Rates (EB- 2011-0206)
Interrogatory Response – Vulnerable Energy Consumers Coalition**

As directed by the Board's Notice of Application and Hearing for this rate proceeding, Whitby Hydro Electric Corporation has provided responses to Vulnerable Energy Consumers Coalition's (VECC) interrogatories dated November 11, 2011. Two paper copies and an electronic copy (CD) will follow via courier. A copy has also been filed electronically through the Board's RESS system.

Respectfully submitted,

Original Signed by

Ramona Abi-Rashed
Treasurer

cc: Mr. Michael Buonoguro (email)
Ms. Shelley Grice (email)
Mr. Sunny Swatch (email)

**Whitby Hydro Electric Corporation – Interrogatory Responses to Information
Requests of the Vulnerable Energy Consumers Coalition (VECC)
EB-2011-0206**

Revenue to Cost Ratio Adjustment

VECC Question # 1

Reference: 2012 IRM Revenue to Cost Adjustment Work Form

- a) On Sheet 5 (Re-based Revenue from Rates), the revenue requirement from rates of \$19,482,666 differs from the distribution revenue of \$19,196,426 shown in the RRWF (Page 8) in the Draft Rate Order (2010 Settlement for 2011 Rates). Please explain.**

Response:

The amount of \$19,482,666 includes the portion of the distribution rates intended to offset the transformer allowance amount of \$293,570 (as per the Board Approved Settlement Agreement for 2011 Rates). The amount can be reconciled as follows:

Sheet 5 Re-based Revenue from Rates	\$19,482,666
Adjust for Transformer Allowance	\$ (293,570)
Adjust for rounding variable rates to four decimal points	<u>\$ 7,330</u>

Base Revenue Requirement (Board Approved)	\$19,196,426
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Whitby Hydro suggests that the more comparable figure in the Revenue-to-Cost ratio Workform is on Sheet 9 (R C Ratio Revenue) which factors in the transformer allowance amount. The amount on Sheet 9 is \$19,189,096 as compared to the Board approved base revenue requirement of \$19,196,426 (difference of \$7,330 due to rounding of variable rates as noted above).

LRAM

VECC Question # 2

Reference: Appendix K, Lost Revenue Adjustment Mechanism (LRAM) Application, Proposed Rate Riders and Bill Impacts

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

Response:

The OPA's Final 2006-2010 CDM detailed results were released to Whitby Hydro on November 15, 2011. The results were forwarded to Burman Energy to update the LRAM calculations and schedules (please see Appendix B-1 from the Board Staff Interrogatory responses for updated schedules).

The updated LRAM claim and revised rate riders have been summarized in Board Staff's interrogatory response #10 (a). The revised results have been incorporated into the responses

to all related LRAM interrogatories below.

b) Please provide the Annual Volume by rate class amounts used to calculate the current approved LRAM Rate Rider.

Response:

The annual volumes used to calculate the currently approved LRAM rate rider reflects the approved load data from the last cost of service application and have been provided below:

	Annual Volume	kWh/kW
Residential	350,407,180	kWh
GS<50 kW	75,150,446	kWh
GS>50 kW	966,330	kW
	426,523,956	

c) Please explain the Annual Volume by rate class amounts used to calculate the Additional LRAM Rate Rider in this application.

Response:

Whitby Hydro inadvertently used actual volumes instead of the approved load data from the last cost of service application when calculating the Additional LRAM Rate Rider. To be consistent, Whitby Hydro will incorporate a correction to the volume data to reflect the volumes noted in part (a). This correction has been provided as part of the update to LRAM evidence which also captures data from the recently published OPA Final 2010 CDM Detailed Results. Please see Board Staff interrogatory response #10 for updated information.

VECC Question # 3

Reference: Appendix L, Burman Energy Consultant Group Inc. LRAM Support

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.

Response:

Please see Appendix B-1, Attachment D – OPA Conservation and Demand Management Programs and Attachment E – Assumptions and Measures included in Board Staff's Interrogatory Response.

b) List and confirm OPA's input assumptions for Every Kilowatt Counts (EKC) 2006 including the measure life, unit kWh savings and free ridership for Compact

Response:

The input assumptions used by the OPA for all OPA programs can be found in detail in Appendix B-1, Attachment D – OPA Conservation and Demand Management Programs which is included as part of Board Staff’s interrogatory responses. Specific assumptions for 2006-2007 and 2009 EKC are provided in the following table and were recognized in the original LRAM claim.

OPA Conservation & Demand Management Programs

Measure Results at End-User Level

For: Whitby Hydro Electric Corporation

#	Initiative Number	Initiative Name	Program	Program Year	Results Status	#	Measure Name	Unit Savings Assumptions								LDC Specific Results						
								Gross Summer Peak Demand Savings (kW)	Gross Annual Energy Savings (kWh)	Gross Lifetime Energy Savings (kWh)	Net Summer Peak Demand Savings (kW)	Net Annual Energy Savings (kWh)	Net Lifetime Energy Savings (kWh)	Aggregate Net-to-Gross Adjustment (%)	Effective Useful Life (EUL)	Activity Results (#)	Gross Summer Peak Demand Savings (kW)	Gross Annual Energy Savings (kWh)	Gross Lifetime Energy Savings (kWh)	Net Summer Peak Demand Savings (kW)	Net Annual Energy Savings (kWh)	Net Lifetime Energy Savings (kWh)
9	3	Every Kilowatt Counts	Consumer	2006	Final	1	Energy Star® Compact Fluorescent Light Bulb - Spring Campaign	0.000	104	418	0.000	94	376	90.0	4.0	11,216,568	0.00	1,171,010	4,684,039	0.00	1,053,909	4,215,635
13	3	Every Kilowatt Counts	Consumer	2006	Final	5	Energy Star® Compact Fluorescent Light Bulb - Autumn Campaign	0.000	104	418	0.000	94	376	90.0	4.0	16,630,853	0.00	1,736,261	6,945,044	0.00	1,562,635	6,250,540
14	3	Every Kilowatt Counts	Consumer	2006	Final	6	Seasonal Light Emitting Diode Light String - Autumn Campaign	0.000	31	923	0.000	28	830	90.0	30.0	4,003,037	0.00	123,093	3,692,802	0.00	110,784	3,323,522
40	8	Every Kilowatt Counts	Consumer	2007	Final	1	15 W CFL	0.001	43	344	0.001	34	268	78.0	8.0	20,099,972	26.13	864,299	6,914,390	20.38	674,153	5,393,224
41	8	Every Kilowatt Counts	Consumer	2007	Final	2	20+ W CFL	0.002	62	497	0.001	48	388	78.0	8.0	3,272,086	6.22	203,197	1,625,572	4.85	158,493	1,267,946
42	8	Every Kilowatt Counts	Consumer	2007	Final	3	Energy Star® Light Fixture	0.006	123	1,966	0.003	68	1,082	55.0	16.0	78,072	0.44	9,595	153,520	0.24	5,277	84,436
44	8	Every Kilowatt Counts	Consumer	2007	Final	5	Seasonal LED Light String	0.000	14	69	0.000	7	34	49.0	5.0	5,325,172	0.00	72,955	364,774	0.00	35,748	178,739
45	8	Every Kilowatt Counts	Consumer	2007	Final	6	Project Porchlight CFL	0.001	43	344	0.001	33	261	76.0	8.0	4,229,698	5.50	181,877	1,455,016	4.18	138,227	1,105,812
597	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	1	Energy Star Qualified Compact Fluorescent - Spring Campaign - Participant Rebated	0.001	23	185	0.000	16	127	68.7	8.0	945,390	0.68	21,902	175,214	0.47	15,053	120,423
598	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	2	ENERGY STAR Decorative CFLs - Spring Campaign - Participant Rebated	0.001	26	155	0.001	20	119	77.0	6.0	2,241,901	1.80	57,929	347,574	1.39	44,631	267,787
613	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	17	Installed CFLs - Spring Campaign - Participant Spillover	0.003	101	811	0.000	13	106	13.1	8.0	86,367	0.27	8,760	70,078	0.04	1,149	9,190
622	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	26	Energy Star Qualified Compact Fluorescent - Spring Campaign - Non-Participant Rebated	0.001	22	179	0.000	8	62	34.8	8.0	719,793	0.50	16,131	129,047	0.17	5,608	44,864
623	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	27	ENERGY STAR Decorative CFLs - Spring Campaign - Non-Participant Rebated	0.001	26	157	0.000	10	63	39.8	6.0	357,307	0.29	9,354	56,126	0.12	3,724	22,347
624	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	28	ENERGY STAR Fixtures - Spring Campaign - Non-Participant Rebated	0.002	68	1,083	0.001	27	440	40.6	16.0	336,594	0.71	22,781	364,492	0.29	9,255	148,075
638	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	42	ENERGY STAR Specialty CFLs - Autumn Campaign - Participant Rebated	0.001	21	125	0.000	15	89	71.5	6.0	1,730,096	1.12	36,000	215,999	0.80	25,732	154,395
639	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	43	ENERGY STAR Fixtures - Autumn Campaign - Participant Rebated	0.004	119	1,856	0.003	83	1,299	70.0	15.6	206,480	0.76	24,586	383,171	0.53	17,210	268,220
646	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	50	Autumn Campaign - Participant Promoted	0.000	14	69	0.000	8	40	58.8	5.0	509,368	0.00	6,978	34,892	0.00	4,102	20,508
660	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	64	ENERGY STAR Specialty CFLs - Autumn Campaign - Non-Participant Rebated	0.001	30	180	0.000	5	27	15.1	6.0	1,237,806	1.15	37,094	222,564	0.17	5,588	33,529
661	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	65	ENERGY STAR Fixtures - Autumn Campaign - Non-Participant Rebated	0.001	36	568	0.000	9	137	24.1	15.6	345,033	0.39	12,581	196,076	0.09	3,038	47,350
668	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	72	Autumn Campaign - Non-Participant Promoted	0.000	14	69	0.000	5	24	35.0	5.0	1,662,627	0.00	22,778	113,890	0.00	7,965	39,825
682	37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	86	Installed Energy Star® CFL Bulbs - Rewards for Recycling Campaign - Spillover	0.001	45	357	0.000	8	66	18.4	8.0	39,185	0.05	1,747	13,972	0.01	322	2,577

Source: 2006-2010 Final OPA CDM Results Whitby Hydro Electric Corporation.xls

- 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.**

Response:

The following table outlines the savings for the EKC 2006 Mass Market measures for 13-15 W Energy Star CFLs and demonstrates that they have been removed from the LRAM claim in 2010.

OPA Conservation & Demand Management Programs

Measure Results at End-User Level

For: **Whitby Hydro Electric Corporation**

Initiative Name	Program Name	Program Year	Results Status	
Every Kilowatt Counts	Consumer	2006	Final	Energy Star® Compact Fluorescent Light Bulb - Spring Campaign
Every Kilowatt Counts	Consumer	2006	Final	Electric Timers - Spring Campaign
Every Kilowatt Counts	Consumer	2006	Final	Programmable Thermostats - Spring Campaign
Every Kilowatt Counts	Consumer	2006	Final	Energy Star® Ceiling Fans - Spring Campaign
Every Kilowatt Counts	Consumer	2006	Final	Energy Star® Compact Fluorescent Light Bulb - Autumn Campaign
Every Kilowatt Counts	Consumer	2006	Final	Seasonal Light Emitting Diode Light String - Autumn Campaign
Every Kilowatt Counts	Consumer	2006	Final	Programmable Thermostats - Autumn Campaign
Every Kilowatt Counts	Consumer	2006	Final	Dimmers - Autumn Campaign
Every Kilowatt Counts	Consumer	2006	Final	Indoor Motion Sensors - Autumn Campaign
Every Kilowatt Counts	Consumer	2006	Final	Programmable Baseboard Thermostats - Autumn Campaign

Effective Useful Life (EUL)
4.0
20.0
15.0
20.0
4.0
30.0
18.0
10.0
20.0
18.0

LDC Specific Results						
Activity Results (#)	Gross Summer Peak Demand Savings (kW)	Gross Annual Energy Savings (kWh)	Gross Lifetime Energy Savings (kWh)	Net Summer Peak Demand Savings (kW)	Net Annual Energy Savings (kWh)	Net Lifetime Energy Savings (kWh)
11,216,568	0.00	1,171,010	4,684,039	0.00	1,053,909	4,215,635
314,452	0.00	57,545	1,150,894	0.00	51,790	1,035,804
136,784	6.84	29,545	443,179	6.16	26,591	398,861
104,055	1.46	14,672	293,434	1.31	13,205	264,090
16,630,853	0.00	1,736,261	6,945,044	0.00	1,562,635	6,250,540
4,003,037	0.00	123,093	3,692,802	0.00	110,784	3,323,522
263,878	31.07	137,769	2,479,848	27.96	123,992	2,231,863
208,654	0.00	29,003	290,029	0.00	26,103	261,026
74,871	0.00	15,648	312,959	0.00	14,083	281,663
15,717	0.00	23,046	414,829	0.00	20,741	373,346

Net Energy Savings (MWh)						
Initiative Name	Program Name	Program Year	2006	2007	2008	2009
Every Kilowatt Counts	Consumer	2006	3,004	3,004	3,004	3,004
Net Summer Peak Demand Savings (MW)						
Every Kilowatt Counts	Consumer	2006	0.0354	0.0354	0.0354	0.0354

Total Savings used for 2006-2009	35.43	3,003,833
Remove those with 4 year EUL	0.00	(2,616,544)
Total Savings used for 2010-2011	35.43	387,289.16

Source: 2006-2010 Final OPA CDM Results Whitby Hydro Electric Corporation.xls

- 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.**

Response:

No adjustment is required. Any expired measures were not included in the LRAM calculation.

- e) Please provide the rationale for including lost revenues for 2011 in the LRAM.**

Response:

As per the OEB's Guidelines For Electricity Distributor Conservation and Demand Management (EB-2008-0037):

LRAM is a retrospective adjustment, which is designed to recover revenues lost from distributor supported CDM activities in a prior year. It is designed to compensate a distributor only for unforecasted lost revenues associated with CDM activities undertaken by the distributor within its licensed service area. (page18, section 5.0)

Given that Whitby Hydro is applying for 2012 rates, effective January 1st, 2012, the inclusion of 2011 lost revenue in this LRAM application appears to be reasonable and within the intended scope outlined in the OEB's Guidelines. The inclusion of lost revenues for 2011 should be viewed as a retrospective adjustment in a 2012 LRAM application.

In calculating the 2011 lost revenues, Whitby Hydro has only included the impact to 2011 revenues for those eligible programs implemented between 2005 -2010. Whitby Hydro did not include impacts of any 2011 CDM programs, as the results will not be tabulated until after the end of 2011 calendar year.

- f) Please re-do the LRAM for lost revenues to December 31, 2010.**

Response:

Whitby Hydro has provided support for including 2011 lost revenues in the LRAM claim in part (e). However, if 2011 lost revenues were removed, the amount of the LRAM claim would be \$265,377 plus carrying costs.

- g) List all of the input assumptions including free-ridership, kWh savings and measure life for all Third Tranche programs and the sources of those assumptions used in the LRAM claim for 2006 to 2010 Programs.**

Response:

Please see Appendix B-1, Attachment E – Assumptions and Measures included in Board Staff's interrogatory responses.

- h) Identify all Mass Market Measures (CFLS etc) installed in 2005 and 2006 with measure lives of 4 years or less for which savings have been claimed in any prior claim.**

Response:

As per Appendix B-1, Attachment E (Board Staff interrogatory response), there are no programs claimed in this LRAM application from 2005 or 2006 which have a measure life of 4 years or less. With respect to OPA programs, Whitby Hydro has utilized data from the most recent OPA

Final 2006-2010 CDM Detailed Results report to prepare the LRAM claim. The OPA's report notes that the 2006 EKC (Every Kilowatt Counts) program includes CFLs which reflect a measure life of 4 years. The 2006 Demand Response 1 and the Loblaws and York Region Demand Response programs both have a measurement life of 1 year. Whitby Hydro has not included any Mass Market Measures which have expired in this LRAM claim.

i) Adjust the current Third Tranche LRAM claim as necessary to reflect the measure lives (and unit savings) for any/all measures that have expired starting in 2010.

Response:

No adjustment is required. Savings have already been excluded from LRAM calculations once the measured life has expired.