



***PUBLIC INTEREST ADVOCACY CENTRE***  
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**ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7**

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: [piac@piac.ca](mailto:piac@piac.ca). <http://www.piac.ca>

Michael Buonaguro  
Counsel for VECC  
(416) 767-1666

December 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

Dear Ms. Walli:

**Re: Vulnerable Energy Consumers Coalition (VECC)**  
**EB-2011-0271: Technical Conference Interrogatories**

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

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC  
Encl.

**Halton Hills Inc.**

**2012 Distribution Rate Application**

**EB-2011-0271**

**Round 2 Interrogatories 9 (Technical Conference)  
of the Vulnerable Energy Consumers Coalition (“VECC”)**

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***NOTE – FOR EASE OF REFERENCE VECC HAS CONTINUED NUMBERING  
FROM ITS FIRST ROUND INTERROGATORIES***

**RATE BASE – CAPITAL PROJECTS**

**30. Reference: VECC IR #2**

The response is unclear as to whether Halton Hills is amending its evidence on Service Reliability.

- a) If it is changing the reported reliability figures please provide an amended Table 2-28 (Exhibit 2, Tab 3, Schedule 5, page 2).
- b) Please explain why 2008 CAIDI is higher when excluding loss of service.

**31. Reference: VECC IR #5, SEC IR # 3**

- a) How many poles were assessed as requiring replacement in order to support the solar panel and ancillary equipment that is part of Halton Hill’s Green Energy Initiative?
- b) Please provide the business plan, including asset assessment plan that was prepared in support of this Initiative. If no formal plan was prepared please provide the presentation made to Halton Hill’s executive in support of this plan.

**32. Reference: VECC IR #5**

- a) The response in Appendix VECC 1-A does not include the Manager of Engineering’s proposed capital projects for 2012. Please provide this list ( or confirm that the Manager’s proposed list is the same as the Capital Project list at Table 2-18 at Exhibit 2, Tab 2, Schedule 3, page 13).

**33. Reference: VECC IR #9**

- a) The response to this interrogatory implies that there are no capital projects or OM&A expenses that are being undertaken solely in pursuit of the objectives in the filed Green Energy Plan. Please confirm this is the case. If not please provide the expenses which are specific to the Green Energy Plan.

**OM&A**

**34. Reference: SEC IR #6**

In response to SEC interrogatory #6 Halton Hills states that is of the view that it is not similar to the cohort of utilities listed in Table SEC 1-2 due to the predominance of low density rural customers.

- a) Please provide a list of the Ontario Utilities that Halton Hills believes are comparable to its operations.
- b) Include in this list the Board's latest published OM&A per customer.

**35. Reference Board Staff IR # 14**

- a) Please provide the forecast OM&A for the Green Energy Initiative for years 2012 through, and including 2014.

**LOAD FORECAST AND REVENUE OFFSETS**

**36. Reference: Energy Probe #25 a) /Exhibit 3, Tab 2, Schedule 1, page 3 / Exhibit 3, Appendix A, page 3**

- a) Please reconcile the response to EP #25 a) with the statement in the Application (3/2/1, page 3) that the total customers and connections are on a "mid-year" basis. Are all historical values in the Application as of January for the respective year and all forecast (2011 and 2012) values mid-year values?
- b) Please clarify what customer classes are included in the "Number of Customers" used in the regression model (Appendix A).
- c) Please reconcile the 2010 customer count values shown in Table 3-10 (purportedly January 2010 values) with the January 2010 customer count reported in Appendix A (24,904).

- d) Please reconcile the 2011 customer count values shown in EP #25 b) (purportedly June 2011) with the June 2011 customer count reported in Appendix A (25,200).

**37. Reference: Energy Probe #29 e)**

- a) What types of assets/equipment are the gains and losses associated with?

**COST ALLOCATION**

**38. Reference: VECC #20 a) & b)**

- a) If a significant portion of the GS<50 customers (i.e., 760 out of 1629) have 3 phase meters, why is the average cost of meters for this class assumed to be the same as that for the Residential class (\$185 per CA Model Sheet I7.1)?

**39. Reference: OEB Staff #36**

- a) Please provide the rationale for assuming the weighting factor for Services (per CA Model Sheet I5.2) is 1.0 for Residential and zero for all other customer classes.
- b) Please explain more fully the derivation of the weighting factors for Billing and Collecting for each class.

**RATE DESIGN**

**40. Reference: VECC #22 a)**

Preamble: The table provided is the same as that in the Application and sets out the fixed-variable revenues for each class based on the proposed rates. The interrogatory asked for the current fixed-variable split for each class based on 2011 rates and 2012 billing determinants.

- a) Please provide a table that sets out the fixed and variable revenues by class for 2012 (net of the TOA, LV and Wheeling charges) based on current rates and show the resulting fixed-variable split.

**41. Reference: VECC #23 b)**

- a) Please explain more fully how the \$411,201 estimate was derived.

**42. Reference: Energy Probe #44**

Preamble: The response to EP #44 suggests that a Supply Facility Loss Factor of 3.48% was applied to the total load whereas the original Application indicated the Supply Facility Loss Factor used was 3.4%.

- a) Please provide the calculation of the proposed 106.2% Total Loss Factor and, in doing so, clarify the Supply Facility Loss Factor used.
- b) If the value used was 3.48% please explain why this is appropriate given that two of the feeders supplying Halton Hills have loss factors of 0.6% (per 8/4/3, page 2).
- c) If the value used was 3.4%, please provide the supporting calculations as to how the 3.4% was derived.
- d) Please explain the formulation for Distribution Loss Factor provided in response to EP #44.

**DEFERRAL AND VARIANCE ACCOUNTS / SMART METERS**

**43. Reference: VECC IRR #25; Exhibit 9, Tab 4, Schedule 3, Tables 9-17, 9-18**

Preamble: Filing Requirements for Smart Meter Plans require recording of capital costs and the prudence review requires appropriate data on installed capital costs. Smart Meter Guideline SM G-2011-0001 supersedes G-2008-0002 and requires (see page 18) distributors to provide capital and operating unit cost per installed smart meter and in total for:

- procurement and installation of the components of the AMI system;
  - customer information system;
  - incremental operating and maintenance activities;
  - changes to ancillary systems; and
  - stranded meters;
- a) Please respond to VECCs interrogatory #25, if necessary using estimates not audited costs, and in the form of a table that shows, as a minimum, the installed capital cost for each type of meter and the numbers of each type of meter supplied *to each customer class*.

- 44. Reference: VECC IRR #26; Exhibit 9 Tab 4 Schedule 3 and Table 9-19**  
Preamble: The Smart Meter Guideline G-2011-0001, page 19 requires that distributors to calculate class specific Smart Meter Disposition Rate Rider (SMDRR) based either on full cost allocation or a proxy method using capital cost (return) to allocate the revenue requirement and as accepted by the Board in the Powerstream Decision EB-2011-0128.
- a) Please provide a response to VECCs interrogatory #26 using either method to calculate the class SM Revenue Requirement, the true up between RR and SM revenue collected and the class-specific disposition SMDRR. Compare with a uniform SMDRR.