West Coast Huron Energy Inc.
57 West Street
Goderich, ON
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January 13, 2012

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

Re: Reply to Interrogatories 2012 IRM Rate Application EB-2011-0203

Dear Ms. Walli:

Please find enclosed the reply to Board staff and VECC interrogatories with respect to the Application submitted by West Coast Huron Energy Inc. ("West Coast Huron") for new rates under Third Generation Incentive Regulation Mechanism, effective May 1, 2012.

This document is being filed pursuant to the Board's e-Filing Services.

Yours Truly,

Wally Curry, Director of Strategic Relationships
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Response to Board Staff Interrogatories

Board Staff Interrogatories
2012 IRM3 Electricity Distribution Rates
West Coast Huron Energy Inc.
EB-2011-0203

Rate Generator

1) Ref: E1/T1/S2, p. 2 and Manager's Summary p. 1

Preamble:

On page 1 of the Manager's summary WCH stated that WCH has completed the 2012 Rate Generator model provided by the Ontario Energy Board. In E1/T1/S2 page 2, line 10-12 WCH stated that

> West Coast Huron has used the applicable Elenchus prepared Excel models. The applicable models are: i. ED Rate Generator;

Question/Request:

a) Please confirm that WCH used the Board-approved 2012 IRM Rate Generator Model version 1.4, updated October 19, 2011 in its revised application, filed November 7, 2011.

West Coast Huron's Response:

West Coast Huron confirms that it used the Board-approved 2012 IRM Rate Generator Model version 1.4, updated October 19, 2011 in its revised application filed November 7, 2011.

b) If not, please explain why not and outline any deviation from the 2012 IRM Rate Generator, version 1.4.

West Coast Huron's Response:

Please see response above.

2) Ref: E1/T1/S5, p. 3 - Manager's Summary and cover letter, filed November 7, 2011

Preamble:

On page 3 of the Manager's Summary WCH stated that

> West Coast Huron currently has an application for adjustment to proposed distribution rates (EB-2011-0335) effective October 1, 2011 before the Board. For purposes of completion of this application the proposed Tariff sheet for that application has been used in the 2012 IRM Rate Generator for rate adjustments and bill impact calculations. This is detailed in Exhibit 1, Tab 1, Schedule 6, Attachment 1 of this application. This is included on the following sheets of the 2012 IRM Rate Generator":
>
> Sheet "4. Current MFC";
> Sheet "5. Current DVR";
> Sheet "6. Current Rate_Riders";
> Sheet "7. Current RTSR-Network"; and
> Sheet "8. Current RTSR-Connection".

In the cover letter filed November 7, 2011, WCH stated that "West Coast Huron has removed the proposed Tornado Relief Funding Adder from inclusion in the 2012 IRM Rate Generator and is not included in the calculation of bill impacts".

Question/Request:

a) Please reconcile the two statements above and confirm that WCH has used WCH's current tariff sheet to calculate proposed tariff of rates and charges in the 2012 IRM Rate Generator.

West Coast Huron's Response:

West Coast Huron confirms that it has used West Coast Huron's current tariff sheet effective May 1, 2012 to calculate proposed tariff of rates and charges in the 2012 IRM Rate Generator.

b) If no, please adjust all applicable sheet in the rate generator to reflect WCH's current tariff of rates and charges.

West Coast Huron's Response:

Please see response above.

3) Ref: Rate Generator E.6 – Current Rate Rider

Sheet E.6

Residential			
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kWh	0.01820	April 30, 2012
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kWh	0.00520	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	(0.00070)	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kWh	(0.00280)	April 30, 2012
General Service Less Than 50 kW			
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kWh	0.01150	April 30, 2012
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kWh	0.00040	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	(0.00080)	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kWh	(0.00310)	April 30, 2012

Preamble:

Board staff notes that for the Residential customer class the Rate Rider for Global Adjustment Sub-Account (2010)– Applicable only for Non-RPP Customer shows a rate rider of $0.0182/kWh. West Coast Huron's current Tariff of Rates and Charges shows a rate rider of $0.0004/kWh for this category.

Board staff further noted that for the GS<50kW customer class the Rate Rider for Global Adjustment Sub-Account (2010)– Applicable only for Non-RPP Customer shows a rate rider of $0.0115/kWh. West Coast Huron's current Tariff of Rates and Charges shows a rate rider of $0.0004/kWh for this category.

Question/Request:

a) Please confirm that the Rate Rider for Global Adjustment Sub-Account for both the residential and the GS<50 kW customer classes should be $0.0004. If confirmed, Board staff will make the necessary changes.

West Coast Huron's Response:

West Coast Huron confirms that the Rate Rider for Global Adjustment Sub-Account for both the residential and the GS<50 kW customer classes should be $0.0004 for 2010 and $0.0052 for 2011. West Coast Huron Respectfully requests Board Staff make the necessary changes

4) Ref: 2012 IRM RTSR Work Form, Sheet 3 and E1/T1/S6, Attachment 1

Rate Classes:

1. Select the appropriate rate classes that appear on your most recent Board-Approved Tariff of Rates and Charges.
2. Enter the RTS Network and Connection Rate as it appears on the Tariff of Rates and Charges

Rate Class	Unit	RTSR - Network	RTSR - Connection
Residential	kWh	$ 0.0050	$ 0.0045
General Service Less Than 50 kW	kWh	$ 0.0048	$ 0.0040
General Service 50 to 499 kW	kW	$ 1.8353	$ 1.5961
General Service 500 to 4,999 kW	kW	$ 1.9493	$ 1.7498
Large Use	kW	$ 2.1585	$ 2.0008
Unmetered Scattered Load	kWh	$ 0.0046	$ 0.0040
Sentinel Lighting	kW	$ 1.3913	$ 1.2596
Street Lighting	kW	$ 1.3842	$ 1.2596

Preamble:

Board staff notes that WCH on Sheet 3 of the 2012 IRM RTSR Work Form shows an RTSR-Network Service Rate of $0.0048 for the GS<50 kW customer class. WCH's current Tariff of Rates and Charges (E1/T1/S6, Attachment 1) shows an RTSR – Network Service Rate of $0.0046 for that class.

Question/Request:

a) Please confirm that that the RTSR-Network Service Rate should be $0.0046 for the GS<50 kW customer class. If confirmed, Board staff will make the necessary changes.

West Coast Huron's Response:

West Coast Huron confirms that that the RTSR-Network Service Rate should be $0.0046 for the GS<50 kW customer class. West Coast Huron respectfully requests Board staff to make the necessary changes.

5) Ref: Rate Generator, Sheet 16 and 2012 IRM RTSR Work Form, Sheet 13

Rate Generator, Sheet 16 – Proposed RTSR Connection

Preamble:

Board staff noted that WCH shows the following RTSR rate for the GS 500-4,999 kW customer class:

General Service 500 to 4,999 kW				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.74980	24.128%	2.17200

RTSR Workform, Sheet 13:

Rate Class	Unit	Proposed RTSR Network	Proposed RTSR Connection
Residential	kWh	$ 0.0057	$ 0.0049
General Service Less Than 50 kW	kWh	$ 0.0054	$ 0.0043
General Service 50 to 499 kW	kW	$ 2.0765	$ 1.7327
General Service 500 to 4,999 kW	kW	$ 2.2054	$ 1.8996
Large Use	kW	$ 2.4421	$ 2.1720
Unmetered Scattered Load	kWh	$ 0.0052	$ 0.0043
Sentinel Lighting	kW	$ 1.5741	$ 1.3674
Street Lighting	kW	$ 1.5661	$ 1.3674

Board staff notes that WCH shows $1.8996 in proposed RTSR Connection rates on Sheet 13 of the 2012 IRM RTSR Work Form for the GS 500-4,999 customer class. On Sheet 16 of the 2012 IRM Rate Generator WCH shows a rate of $2.1720.

Question/Request:

a) Please confirm that that the proposed RTSR-Connection Rate should be $1.8996 for the GS 500-4,999 kW customer class. If confirmed, Board staff will make the necessary changes.

West Coast Huron's Response:

West Coast Huron confirms that the proposed RTSR-Connection Rate should be $1.8996 for the GS 500-4,999 kW customer class. West Coast Huron respectfully requests Board staff to make the necessary changes.

6) Ref: 2012 IRM Revenue/Cost Ratio Model, Sheet 3 – Rebased Bill Det & Rates

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Current Tariff Service Charge D	Current Tariff Distribution Volumetric Rate kWh E	Current Tariff Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	3,356	28,073,558		14.08	0.0192	
GSLT50	General Service Less Than 50 kW	Customer	kWh	521	16,297,712		33.43	0.0115	
GSGT50	General Service 50 to 499 kW	Customer	kW	49	24,213,614	78,630	402.29		1.7872
GSGT50	General Service 50 to 4,999 kW	Customer	kW	3	11,029,532	25,095	3,023.14		1.5371
LU	Large Use	Customer	kW	1	63,440,389	155,172	9,031.26		1.1806
USL	Unmetered Scattered Load	Connection	kWh	9	166,487		33.44	0.0296	
Sen	Sentinel Lighting	Connection	kW	13	22,144	64	5.64		10.7442
SL	Street Lighting	Connection	kW	1,333	1,064,486	2,896	1.95		10.6902

Board staff has been unable to verify whether some of the data entered on Sheet 3 of the 2012 IRM Revenue/Cost Ratio Model is correct.

Question/Request:

a) Please reconcile the data entered in column A, B and C on the above sheet with the Draft Rate Order in EB-2008-0248. Please explain any discrepancies.

West Coast Huron's Response:

Please reference page 11 of 25 of the Boards Decision and Order dated December 7, 2009.

Updated Rate Design		Customers	Fixed %	Fixed Revenue	Fixed Charge	Consumption	Variable Revenue	Variable Charge
Residential	$ 1,079,709.66	3,356	52.6%	$ 567,432.48	$ 14.09	28,073,558	$ 512,277.18	$ 0.0182
GS < 50 kW	$ 396,294.19	521	52.8%	$ 209,191.92	$ 33.46	16,297,712	$ 187,102.27	$ 0.0115
GS>50 to 499 kW	$ 377,335.41	49	62.7%	$ 236,705.28	$ 402.56	78,630	$ 140,630.13	$ 1.7885
GS>500 kW to 4999 kW	$ 160,864.39	3	74.0%	$ 119,039.65	$ 3,306.66	25,095	$ 41,824.74	$ 1.6667
Large Use	$ 279,341.01	1	37.2%	$ 103,832.64	$ 8,652.72	155,172	$ 175,508.37	$ 1.1311
Sentinel Lighting	$ 1,569.47	13	56.1%	$ 879.84	$ 5.64	64	$ 689.63	$ 10.7515
Street Lights	$ 62,104.88	1,333	50.1%	$ 31,124.67	$ 1.95	2,896	$ 30,980.22	$ 10.6974
Unmetered	$ 8,540.87	9	42.3%	$ 3,614.76	$ 33.47	166,487	$ 4,926.11	$ 0.0296
Total	$ 2,365,759.89			$ 1,271,821.24			$ 1,093,938.66	

b) In column E, WCH shows a volumetric rate of $0.0192 for the residential customer class. The current tariff sheet shows a volumetric rate of $0.0182 for the same class. Please confirm that $0.0182 is correct and Board staff will make the necessary changes.

West Coast Huron's Response:

West Coast Huron confirms that $0.0182 is correct and respectfully requests Board staff to make the necessary changes.

7) Ref: 2012 IRM Revenue/Cost Ratio Model, Sheet 7 – Revenue Offsets Allocation

The purpose of this sheet is to allocate the Revenue Offsets (miscellaneous revenue, cell F47) found in the las COS to the various rate classes in proportion to the allocation from the Cost Allocation informational filing.

Rate Class	Informational Filing Revenue Offsets A	Percentage Split C= A / B	Allocated Revenue Offsets E = D * C
Residential	0	0.00%	-
General Service Less Than 50 kW	0	0.00%	-
General Service 50 to 499 kW	0	0.00%	-
General Service 50 to 4,999 kW	0	0.00%	-
Large Use	0	0.00%	-
Unmetered Scattered Load	0	0.00%	-
Sentinel Lighting	0	0.00%	-
Street Lighting	0	0.00%	-
	-	0.00%	97,945
	B		D

Preamble:

Board staff notes that on sheet 7 of the 2012 IRM Revenue/Cost Ratio Model, WCH did not provide the input data in column A as per the informational filing.

Question/Request:

Please provide the required information and Board staff will make the necessary changes.

West Coast Huron's Response:

VECC Interrogatories
Schedule # 8 H

West Coast Huron Energy
Rate Design - Revenue to Cost Ratios
December 11, 2008
Verson 1

	Residential	GS < 50	GS>50 to 499 kW	GS>500 kW to 4999 kW	Large Use	Sentinel Lighting	Street Light	Unmetered	
2007 CA Revenue to Cost %	82.39%	81.66%	169.08%	371.28%	108.03%	81.15%	27.82%	63.57%	
Board Staff Min RC%	85.00%	80.00%	80.00%	80.00%	80.00%	70.00%	70.00%	80.00%	
Board Staff Max RC%	115.00%	120.00%	180.00%	180.00%	180.00%	120.00%	120.00%	120.00%	
2006 DRR	757,367	275,824	286,224	221,362	195,350	1,132	18,713	4,345	**1,760,317**
2006 Misc. Revenue	62,543	25,114	11,629	4,709	7,138	60	2,806	898	**114,898**
2006 Total Revenue	819,910	300,938	297,853	226,072	202,488	1,192	21,519	5,243	**1,875,215**

Rate Class	Informational Filing Revenue Offsets	Percentage Split	Allocated Revenue Offsets
	A	C= A / B	E = D * C
Residential	62,543	54.43%	50,458
General Service Less Than 50 kW	25,114	21.86%	20,261
General Service 50 to 499 kW	11,629	10.12%	9,382
General Service 50 to 4,999 kW	4,709	4.10%	3,799
Large Use	7,138	6.21%	5,759
Unmetered Scattered Load	898	0.78%	725
Sentinel Lighting	60	0.05%	48
Street Lighting	2,806	2.44%	2,264
	114,898	100.00%	92,696
	B		D

8) Ref: 2012 IRM Rate Generator, Sheet 18, E1/T1/S6, Attachment 1, p. 11 - current Tariff of Rates and Charges and E1/T1/S5, Manager's Summary, p. 5

2012 IRM Rate Generator, Sheet 18 – LF Current and Proposed

Loss Factors	Current
Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0497
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0362
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045

Preamble:

Board staff notes that on sheet 18 of the 2012 IRM Rate Generator, WCH used a total loss factor of 1.0497 – Secondary Metered Customer<5000 kW. On the Tariff of Rates and Charges WCH shows a total loss factor in that category of 1.0467.

Question/Request:

a) Please confirm that the total loss factor for Secondary Metered Customer<5000 kW should be 1.0467 and Board staff will make the necessary changes.

West Coast Huron's Response:

West Coast Huron confirms that the total loss factor for Secondary Metered Customer<5000 kW should be 1.0467 and respectfully requests Board staff to make the necessary changes.

9) Ref: E1/T2/S2, p. 5, 2012 Incremental Capital Workform

Preamble:

On page 2 WCH provided threshold parameters which show a price escalator of 1.30 % and a stretch factor of 0.60%. A growth factor of -3.05% is proposed based on 2009 audited RRR as the denominator in the growth calculation. The Board's Stretch Factor Rankings for 2012 released on December 1, 2011 indicates a stretch factor of 0.40% for West Coast Huron. On November 10, 2011 the Board established the price escalator (inflation index) for IRMS for adjusting electricity distribution rates effective January 1, 2012. The updated annual percentage change in Gross domestic Product Implicit Price Index for Final Domestic Product (GDP-IPI) to 1.7%.

Question/Request:

a) Please recalculate WCH threshold using the updated Stretch Factor Rankings for 2012.

West Coast Huron's Response:

West Coast Huron respectfully notes that the 2012 Incremental Capital Workform is locked and therefore cannot change the GDP-IPI number in the model. West Coast Huron confirms that the above is correct and respectfully requests Board staff to make the necessary changes.

10) Ref: E1/T2/S2, p. 5, 2012 Incremental Capital Workform, Sheet E 3.1 and Incremental Capital Project Worksheet- Summary

Preamble:

On page 5 (E1/T2/S2) WCH states that WCH has applied the half year rule for the purpose of this application.

On Sheet E 3.1 of the Incremental Capital Workform, Board staff noted that the increment capital capex shows and amount of $1,344,000 (see below).

Project ID #	Incremental Capital Non-Discretionary Project Description	Incremental Capital CAPEX	Amortization Expense	CCA
ICP 1	Sifto Line Extension	1,344,000	56,000	112,000
		1,344,000	56,000	112,000

Incremental Capital Project Summary shows total capital expenditures of $2.8M.

	Asset Component	Capital Cost	Capital Cost (1/2 year rule applied)	Depreciation Rate	CCA Class	CCA Rate
1	1820-Distribution Station Equipment <50 kV	1,000,000	500,000	4.0%	47	8%
2	1830-Poles, Towers and Fixtures	100,000	50,000	4.0%	47	8%
3	1835-Overhead Conductors & Devices	1,700,000	850,000	4.0%	47	8%
4	1995-Contributions & Grants		-	4.0%	47	8%
5			-			

Question/Request:

a) Based on the amount provided in the Incremental Capital Project Summary and E1/T2/S2, p.8, Board staff understands that the total capital expenditure for the incremental capital project is $2.8M. Please confirm that the incremental capital amount for the 2012 rate year, after applying the half-year rule should be $1.4M.

West Coast Huron's Response:

West Coast Huron respectfully notes that the Incremental Capital Project Worksheet- Summary calculation is incorrect. West Coast Huron confirms that the above is correct and respectfully requests Board staff to make the necessary changes.

b) Board staff noted that the contact information on the Incremental Capital Project work sheet is blank, please confirm that the information in the worksheet applies to WCH application.

West Coast Huron's Response:

West Coast Huron confirms that the above is correct.

c) If yes to a) and b), Board staff will make the necessary changes.

West Coast Huron's Response:

West Coast Huron confirms that the above is correct and respectfully requests Board staff to make the necessary changes.

11) Ref: Ref: E1/T1/S2, p. 2 – Incremental Capital Module and p. 6 – Incremental Capital Project

Preamble:

On page 1 of the incremental capital module evidence, WCH states that on August 21, 2011 a devastating tornado severely impacted WCH's the electrical distribution infrastructure and that this has resulted in an overriding impact on planned on-going system improvements.

On page 6, WCH states that the expansion of WCH's largest client's requirements necessitates this unexpected and unplanned capital expenditure. Sifto has purchased two Continuous Miners with an expected in-service date of July 2012. Each miner will be drawing an addition 1.5 MW of continuous load.

Question/Request:

a) Please provide WCH estimated in-service date for the Sifto line expansion given the emergency conditions under which WCH is currently operating.

West Coast Huron's Response:

WCHE is working to have the line completed for an in-service date of August 2012. This is only the incremental line upgrade. We have been advised by Hydro One Networks that the new Breaker Position will not be completed till the end of February 2013. This will pose operational issues for WCHE and will require system interim modifications to ensure that not only Sifto but all customers' requirements are met. Sifto received severe damage to its above ground infrastructure, including their offices, ship loading conveyors, above ground storage buildings and their substation. However there was no damage below ground. WCHE was able to restore 100% power to the mine within two weeks of the disaster. As part of their recovery operations Sifto arranged for two ship loading conveyors, on a temporary basis, to be installed at the port which enabled them to move product from down in the mine onto the boats which are used in hauling salt. These temporary conveyors are expected to be replaced with new material handling equipment in Q1 2012. Sifto will be at full capacity in early 2012 and the new miners will be arriving in the June to July time frame. Sifto will commence installation on arrival and they hope to have the first one commissioned in the August to September 2012 time frame with the second miner commencing one month later

b) Please provide further evidence as to the damage sustained by the large user, Sifto, during the tornado.

West Coast Huron's Response:

Photo of Sifto's transformer station.

c) If there was significant damage, please explain if and how Sifto is in a position to go ahead with the expansion that would cause an additional 3.0 MW (two miners drawing additional 1.5MW each) of continuous load. Please provide supporting documentation.

West Coast Huron's Response:

Please see response (a)

d) Please provide a description of the actions that the distributor will take in the event that the Board does not approve the Incremental Capital Request.

West Coast Huron's Response:

West Coast Huron Energy has recently entered into an agreement with Sifto whereby Sifto will contribute 100% of the cost for the proposed breaker and upgrade to the line to accommodate their future load. This agreement is broken down into two parts; part one is the new Breaker Position on the Goderich TS. Sifto will reimburse WCHE for the amount paid to Hydro One for all costs associated with the New Breaker Position. (Hydro One estimates $1,030,000.00). Part two is the incremental costs for the line upgrade of approximately $1,800.000.00. West Coast Huron would propose to the board that the 2.8 million capital component of the rate submission be withdrawn from the calculation for WCHE's May 1, 2012 rates now that Sifto has committed to pay 100% of the cost. However, WCHE would like to request a ruling from the Board that the treatment of 100% capital contribution by Sifto is a just and reasonable expectation as the expansion is required solely to provide capacity for Sifto's future requirements.

12) Ref: Ref: E1/T1/S2, p. 2 – Incremental Capital Module and p. 6 – Incremental Capital Project

Preamble:

WCH states that "currently West Coast Huron is operating under emergency measures rebuilding its core system. Hence West Coast Huron is unable to supply a reasonable list of projects at this point in time"

Question/Request:

a) Please provide a more detailed explanation as to what further projects WCH expects in connection with this expansion and why WCH is unable to provide a reliable list of projects at this time.

West Coast Huron's Response:

WCHE's focus, once power had been restored, is to make sure that customers' immediate needs are met. We have customers, residential, commercial and industrial who are trying to get their homes or business operational. To this end WCHE feels that it is more important to focus on these projects which come in on an almost daily basis. WCHE is currently evaluating the projects which were not completed or even started in 2011and work them into our 2012 work plan. As the Board is aware WCHE is not a large LDC and staff have been working overtime since the tornado in August with the focus on stability and reconnection of clients, this having been said we are now working on the 2012 capital budget which will deal with these issues and will be included in our COS application.

b) Please indicate whether WCH will seek recovery of those projects in its 2013 cost of service application.

West Coast Huron's Response:

Please see response above

13) Ref: E1/T2/S2, p. 7 – Sifto Line Expansion

Preamble:

On page 7 WCH states that currently Sifto is on a shared feeder with other clients including the local hospital. Sifto's operation included two "skips" (large elevators that move 30 tons at a time) and that each of these skips cycle every 45 seconds and can draw an additional 7 MW. This is on top of the 20 MW constant loads. These numbers are high if one looks at system planning but they are even worse when you add the additional load on that feeder for other business's and the Hospital.

Question/Request:

a) Please state which feeder currently services Sifto?

West Coast Huron's Response:

Sifto is currently fed from the M3 feeder.

b) Please provide the current peak load on that feeder and state what portion of this load is attributable to Sifto?

West Coast Huron's Response:

In January 2011 the peak on the M3 was 17,689 and Sifto's peak was 14,270. (Does not include the additional requirements of the Skips (salt elevator))

c) Please provide the maximum capacity on that feeder.

West Coast Huron's Response:

The peak on the M3 using a 336 conductor should have a maximum of 450Amps. At 17,689 the conductor is running at approx. 475Amps. This does not include the peaks when the Skips (salt elevators which draw an additional 7Megs every 30-45 seconds).

d) Given the current system capacity, what actions have generally been taken by WCH and Hydro One to address overloading? Has WCH experienced significant or lasting service interruptions as a result?

West Coast Huron's Response:

WCHE has been working with Hydro One in their upgrade to the Goderich TS. This will give WCHE a long term solution to the power supply problem. As an interim solution WCHE has been switching customers from one feeder to another in order to reduce the potential overloading of the M3 circuit. This is only a stop gap measure and requires constant monitoring by staff. WCHE has experienced several outages the most recent was on December 14th, 2011 which lasted for approx. 15 minutes.

e) What is the status of negotiations between Goderich Hydro and Hydro One Networks Inc. with respect to transformation capacity and feeder position requirements at Goderich TS needed to accommodate Goderich Hydro's proposed feeder expansion?

West Coast Huron's Response:

WCHE has entered into a CCRA with Hydro One for a new Breaker Position on the new Transformer being installed at the Goderich TS under the Green Energy Act.

f) Has the cost responsibility for the new feeder positions at Goderich TS been decided on? Please provide details.

West Coast Huron's Response:

Please see our response to 11 (d)

14) Ref: E1/T2/S2, p. 6-7 – Sifto Line Expansion

Preamble:

On July 7, 2011 WCH gave a presentation to the Board detailing the expected infrastructure expansion of WCH distribution system to include a dedicated feeder line to WCH large user.

Question/Request:

a) Please provide a copy of the presentation given to the OEB on July 7, 2011.

West Coast Huron's Response:

Please see attached

b) Has this information been updated since that time, if so please provide any relevant updates.

West Coast Huron's Response:

There have been no changes to the document

15) Ref: E1/T2/S2, p. 6 – Additional Load

Question/Request:

WCH states that the additional load of 3MW (2 x 1.5MW) is expected to be in service July 2012.

a) Please provide the estimated load growth for the 2012 rate year as a result of the additional mining activities by Sifto.

West Coast Huron's Response:

The in-service date has been moved back to the August/September time frame for the first miner with the second coming into service a month later. Below is the estimate by Sifto on their anticipated load increase. The projected increase in consumption is being offset by an improvement in the power factor. There current power factor is in the mid 80% range this has been an improvement over the last couple of years from the mid 70%. In the chart below Sifto is looking at a power factor of 90-95% which will reduce their kVA's.

2012	PF Improvement	0.00	15510.56	0.9
	Cont Miner 1	1100	16610.56	0.9
	Cont Miner 2	1100	17710.56	0.9
	Fans - West Dev	201.15	17911.71	0.9
	PF Improvement	-942.72	16968.99	0.95
	Conveyor Extensions	223.5	17192.49	0.95

b) Please state if this additional growth was factored into the materiality threshold calculations.

West Coast Huron's Response:

Yes

c) If not, please provide the materiality threshold taken the additional load into consideration.

West Coast Huron's Response:

See above

d) Please provide the estimated additional revenue due to this load growth.

West Coast Huron's Response:

Sifto has indicated that they intend to continue improving their power factor. As the Power Factor improves it will reduce their total kVA and this will result in a small if any increase in revenue.

16) Ref: E1/T2/S2 p. 8 – Calculation of Revenue Requirement

Preamble:

On p. 8, l. 11-12 WCH states that "the Sifto Line Extension will be approximately $2.8M. WCH further states that the customer has not committed to contribute any monies to the development of this project. West Coast Huron intends to pursue a contribution in aid of construction consistent with the applicable requirements and will advise the Board of any developments as may develop. "

Question/Request:

a) Please provide WCH's current capital contribution policy.

West Coast Huron's Response:

WCHE looks at each case individually and in this case it looked at Sifto's increased load projection over the next several years.

b) Please explain how this policy has been applied to this project.

West Coast Huron's Response:

Sifto's usage is subject to major swings in their demand. We can see peaks of 21,502kVA and 30 seconds later 11,547kVA. The last five second interval data that was made available to WCHE (December 2009) showed these dramatic swings while there daily average was 205,668 KWH yet in 2010 that number dropped to a daily average of 164,986 KWH which represented a reduction of 19%. This variation indicates that that even though their 5 second demand may increase their daily KWH may decrease. One of WCHE major concerns is that the peaks were excessive and put not only WCHE's system at risk but also Hydro One's TS. As is highlighted in our report to the Board (see appendix A attached), this upgrade is to increase our current rating by moving from a 336 conductor to a 556. By upgrading the line and moving Sifto to a dedicated breaker this will reduce WCHE's LTR on the Goderich TS. WCHE will review Sifto's load in its COS rate application when it reviews it Cost Allocation portion of the application.

c) If not, please explain why not.

West Coast Huron's Response:

See above

d) Please provide any updates at to the status of capital contributions. Please detail any conversation/negotiations with Sifto regarding capital contributions.

West Coast Huron's Response:

See response to Boards question 11 (d)

Ref: E1/T2/.S2, p. 8 – Calculation of Revenue Requirement

Name or General Description of Project
Sifto Line Extension

Details of Project

	Asset Component	Capital Cost	Capital Cost (1/2 year rule applied)	Depreciation Rate	CCA Class	CCA Rate
1	1820-Distribution Station Equipment <50 kV	1,000,000	500,000	4.0%	47	8%
2	1830-Poles, Towers and Fixtures	100,000	50,000	4.0%	47	8%
3	1835-Overhead Conductors & Devices	1,700,000	850,000	4.0%	47	8%
4	1995-Contributions & Grants		-	4.0%	47	8%
5			-			

	2012	2013	2014	2015	
Closing Net Fixed Asset	1,344,000	1,288,000	1,232,000	1,176,000	1,120
Amortization Expense	56,000	56,000	56,000	56,000	56
CCA	112,000	103,040	94,797	87,213	80

Question/Request:

e) Please confirm that none of the capital costs (totalling $2.8M) have previously been included in rate base.

West Coast Huron's Response:

These costs have never been included in any previous rate filing or included in the rate base.

f) Please confirm that none of the projects included in the 2012 Capital Budget are discretionary in nature.

West Coast Huron's Response:

None of the 2012 capital is discretionary

17) Ref: 2006 to 2012 LRAM Report, September 28, 2011

Elenchus notes that the LRAM claim of $117,811.78 includes energy and demand savings that result from 2006–2010 programs, some of which continue through to the end of the filing period which is April 30, 2012.

Question/Request:

a) Please confirm that West Coast Huron used final 2010 program evaluation results from the OPA to calculate its LRAM amount.

West Coast Huron's Response:

West Coast Huron received the final 2010 evaluation results on November 15, 2011. The final report effectively changes the amount requested. This is detailed in b) below.

b) If West Coast Huron did not use final 2010 program evaluation results from the OPA, please explain why and update the LRAM amount accordingly.

West Coast Huron's Response:

West Coast Huron received the final 2010 evaluation results from the OPA on November 15, 2011.

The following summarizes the updated results.

Customer Class	Savings	LRAM
Residential	4.4 GWh	$57,077.33
General Service Less Than 50 kW	5.7 GWH	$54,841.48
General Service 50 to 499 kW	4.2 MW	$5,947.61
Total To April 30, 2011		**$117,866.43**

Therefore West Coast Huron includes in this response an updated LRAM claim in the amount of $117,866.43 for the years from January 1, 2006 through April 30, 2012. An amended third party review by the consulting firm Elenchus is enclosed herein, which supports this claim. Please see Appendix 2.

The following table calculates the updated proposed rate riders to be collected over a one year period ending April 30, 2013:

Customer Class	2010 RRR	Units	LRAM	Proposed Rate
Residential	28,431,108	kWh	$57,077.33	0.0020
General Service Less Than 50 kW	14,687,390	kWh	$54,841.48	0.0037
General Service 50 to 499 kW	69,392	kW	$5,947.61	0.0857
Total To April 30, 2011			**$117,866.43**	

c) Please confirm that West Coast Huron's last load forecast was approved by the Board in its 2009 CoS application.

West Coast Huron's Response:

West Coast Huron confirms the last load forecast was approved by the Board in its 2009 CoS application EB-2008-0248.

d) Please identify the CDM savings that were included in West Coast Huron's last Board approved load forecast for CDM programs deployed from 2006 to 2009 inclusive.

West Coast Huron's Response:

There were no direct CDM savings from OPA programs included in West Coast Huron's load forecast.

e) Please confirm that West Coast Huron did not file or receive approval for LRAM claims in previous years.

West Coast Huron's Response:

West Coast Huron confirms that it has not claimed LRAM amounts in previous applications.

Response to VECC Interrogatories

EB-2011-0203

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
West Coast Huron Energy Inc. for an order or orders
approving or fixing just and reasonable
distribution rates to be effective May 1, 2012.

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

Lost Revenue Adjustment Mechanism (LRAM)

VECC Question # 1

Reference: Exhibit 1, Tab 2, Schedule 6, Attachment 1, Elenchus LRAM Report

Preamble: West Coast Huron Energy Inc. seeks an LRAM claim of $117,811.78 for energy savings from 2006 to 2010 OPA CDM activities, for the years January 1, 2006 through April 30, 2012.

a) Please confirm that the LRAM amounts West Coast Huron is seeking to recover in this application are new amounts not included in past LRAM claims.

West Coast Huron's Response:

As confirmed on Exhibit 1 Tab 1 Schedule 2 page 1, line 21of the LRAM report, there has been no previous LRAM application by West Coast Huron.

b) Please explain why there is no claim for activity related to 2005 to 2009 Third Tranche programs.

West Coast Huron's Response:

West Coast Huron chose to reserve its LRAM claim to savings that were the least contestable and easiest to calculate.

c) When was West Coast Huron's load forecast last approved by the Board? Please discuss how any CDM savings have been accounted for in West Coast Huron's approved load forecast.

West Coast Huron's Response:

There were no direct CDM savings from OPA programs included in West Coast Huron's load forecast.

d) Does the LRAM claim include carrying charges?
i) If no, please explain.
ii) If yes, please provide the calculation.

West Coast Huron's Response:

West Coast Huron has chosen not to include carrying charges.

e) Please provide the rationale for requesting lost revenues for 2011 and January 1, 2012 to April 30, 2012 in the absence of verified OPA results for 2011 and 2012.

West Coast Huron's Response:

West Coast Huron is requesting recovery of lost revenues estimated to April 30, 2012 for programs "delivered" (OPA terminology) in 2009 and 2010; i.e. programs started in either of these years but which may continue to have energy-saving benefits for a number of years.

West Coast Huron is not requesting recovery of lost revenue associated with unverified programs started in 2011, or unverified programs started between January 1 and April 30, 2012. The requested lost revenues in 2011 and the first four months of 2012 are associated with verified savings arising from programs that were started in 2009 and 2010.

A distinction must be made between lost revenue in 2011 due to programs started in 2011, and lost revenue in 2011 due to programs started in earlier years. An implemented program will lead to energy savings, and thus lost revenues, that will persist over the lifetime of the program's measures. For example, if a 2009 program consists of a measure with a lifetime of two years, the program will lead to lost revenues each year until the end of 2011. This would be unrelated to lost revenue due to a program started in 2011.

The use of a program's verified results extending over multiple years is standard for the calculation of an LRAM claim. This approach is consistent with numerous Board-approved LRAM claims, including Burlington Hydro's LRAM claims (Decision on EB-2010-0067 dated March 17, 2011; Decision on EB-2009-0259 dated March 1, 2010), as well as decisions on other LRAM claims (Decision on Middlesex Power Distribution's LRAM claim EB-2010-0098 dated March 17, 2011; Decision on Norfolk Power Distribution's LRAM claim EB-2011-0046 dated May 6, 2011; Decision on Hydro One Brampton's LRAM claim EB-2010-0132 dated April 4, 2011).

f) Please provide the calculation of the LRAM Rate Riders for each applicable rate class to the end of 2010.

West Coast Huron's Response:

Customer Class	2010 RRR	Units	LRAM	Proposed Rate Rider
Residential	28,431,108	kWh	$40,146.15	0.0014
General Service Less Than 50 kW	14,687,390	kWh	$33,310.25	0.0023
General Service 50 to 499 kW	69,392	kW	$5,273.12	0.0760
Total To December 31, 2010			**$78,729.52**	

1

VECC Question # 2

Reference: Elenchus Report, Table One, OPA Results Net kWh

a) Please provide the following details by year at the program measure level to add to the data shown in Table One: # units, unit and total kWh savings, lifetime, and free ridership rate. Reconcile to the lost revenues shown in Table Five.

West Coast Huron's Response:

For the purposes of the two Every Kilowatt Counts programs, which were both 100% residential, Table Five simply displays a sub-set of the same information contained in Table Two.

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

West Coast Huron's Response:

OPA evaluation (EM&V) results over time and across dozens of measures can produce different measure life, unit kWh savings and free ridership rates, as needed and appropriate. Those are factored in to the energy and capacity savings calculations produced by the OPA. Since the OPA is the sole authoritative source of information regarding the results of its programs, West Coast Huron relies on the veracity of OPA data for its LRAM claim.

c) Demonstrate that savings for EKC 2006 Mass Market measures 13-15 W Energy Star CFLs & Seasonal LEDs have been removed from the LRAM claim beginning in

2010.

West Coast Huron's Response:

The energy savings from the EKC 2006 Mass Market program drop-off precipitously after 2009. The 4-year effective useful life of some of the dominant measures in that initiative is undoubtedly the mathematical explanation for that drop-off. Since an authoritative evaluation (EM&V) was not conducted on the 2006 EKC Mass Market program, and therefore not published by the OPA on its Website, all parties are reliant on the OPA's calculations as provided to LDC's. Any further information is not in the possession of West Coast Huron and would require the involvement of the OPA.

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.

West Coast Huron's Response:

These adjustments are already taken into account in the claim.

e) VECC notes that the totals on Table One – OPA Results Net kWh are the same as Table Two – OPA Results Net kWh Adjusted to April 30, 2012. Please explain.

West Coast Huron's Response:

This was an error in the report, which has been corrected in the updated attachment.

VECC Question # 3

Reference: Exhibit 1, Tab 2, Schedule 6, Attachment 1, Elenchus LRAM Report

Preamble: The most recently published OPA 2010 Final CDM Results Summary released September 16, 2011 were used to calculate LRAM amounts.

a) When does West Coast Huron expect to receive the OPA 2010 Final CDM Results Detailed that provides the input assumptions at the measure level?

West Coast Huron's Response:

West Coast Huron received "2006-2010 Final OPA CDM Results. West Coast Huron Energy Inc...xls" on November 15, 2011 and have updated the calculation, as attached.

b) How will these results impact the LRAM claim?

West Coast Huron's Response:

West Coast Huron adjusted LRAM claim is now $117,866.43. This replaces original report findings of $117,811.78 prepared September 28, 2011.

Revenue to Cost Ratio Adjustment

VECC Question # 4

Reference: 2012 IRM Revenue to Cost Ratio Adjustment Workform

a) Sheet 3: Please provide the reference for the data in column A (Re-based billed customers or connections), column B (Re-based Billed kWh) and column C (Re-based Billed kW.

West Coast Huron's Response:

Please reference page 11 of 25 of OEB Decision and Order EB-2008-0248 dated December 7, 2009, extracted below.

Updated Rate Design

		Customers	Fixed %	Fixed Revenue	Fixed Charge	Consumption	Variable Revenue	Variable Charge
Residential	$ 1,079,709.66	3,356	52.6%	$ 567,432.48	$ 14.09	28,073,558	$ 512,277.18	$ 0.0182
GS < 50 kW	$ 396,294.19	521	52.8%	$ 209,191.92	$ 33.46	16,297,712	$ 187,102.27	$ 0.0115
GS>50 to 499 kW	$ 377,335.41	49	62.7%	$ 236,705.28	$ 402.56	78,630	$ 140,630.13	$ 1.7885
GS>500 kW to 4999 kW	$ 160,864.39	3	74.0%	$ 119,039.65	$ 3,306.66	25,095	$ 41,824.74	$ 1.6667
Large Use	$ 279,341.01	1	37.2%	$ 103,832.64	$ 8,652.72	155,172	$ 175,508.37	$ 1.1311
Sentinel Lighting	$ 1,569.47	13	56.1%	$ 879.84	$ 5.64	64	$ 689.63	$ 10.7515
Street Lights	$ 62,104.88	1,333	50.1%	$ 31,124.67	$ 1.95	2,896	$ 30,980.22	$ 10.6974
Unmetered	$ 8,540.87	9	42.3%	$ 3,614.76	$ 33.47	166,487	$ 4,926.11	$ 0.0296
Total	$ 2,365,759.89			$ 1,271,821.24			$ 1,093,938.66	

b) Sheet 7 (Revenue Offsets) is incomplete; the informational filing column is blank and the allocated revenue by rate class is blank. Please explain and update as required.

West Coast Huron's Response:

This was overlooked in error and has been corrected and updated model submitted.

Rate Class	Informational Filing Revenue Offsets A	Percentage Split C= A / B	Allocated Revenue Offsets E = D * C
Residential	62,543	54.43%	53,315
General Service Less Than 50 kW	25,114	21.86%	21,408
General Service 50 to 499 kW	11,629	10.12%	9,913
General Service 50 to 4,999 kW	4,709	4.10%	4,015
Large Use	7,138	6.21%	6,085
Unmetered Scattered Load	898	0.78%	766
Sentinel Lighting	60	0.05%	51
Street Lighting	2,806	2.44%	2,392
	114,898	100.00%	97,945
	B		D

From OEB WebDrawer "WCH_IRR_VECC Supplemental Schedule No 9_20090202.xls"

		Total	1 Residential	2 GS <50	3 GS 50 - 499 kW	4 GS 500 kW - 4999 kW	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
ıte Base Assets										
crev	Distribution Revenue (sale)	$1,552,441	$757,367	$275,824	$249,764	$181,044	$64,252	$18,713	$1,132	$4,345
mi	Miscellaneous Revenue (mi)	$114,898	$62,543	$25,114	$11,629	$4,709	$7,138	$2,806	$60	$898
	Total Revenue	$1,667,339	$819,910	$300,938	$261,393	$185,754	$71,390	$21,519	$1,192	$5,243

c) Sheet 8: Please provide the reference for the Transformer Allowance information.

West Coast Huron's Response:

Please reference page 10 of 25 of OEB Decision and Order EB-2008-0248 dated December 7, 2009, extracted below.

Updated Allocation of Revenue		A	B	A+B
		$ 2,232,184.47	Transformer Allowance Recovery	
Residential	48.37%	$ 1,079,709.66		$ 1,079,709.66
GS < 50 kW	17.75%	$ 396,294.19		$ 396,294.19
GS>50 to 499 kW	15.77%	$ 351,920.12	$ 25,415.30	$ 377,335.41
GS>500 kW to 4999 kW	6.53%	$ 145,807.47	$ 15,056.92	$ 160,864.39
Large Use	8.34%	$ 186,237.81	$ 93,103.20	$ 279,341.01
Sentinel Lighting	0.07%	$ 1,569.47		$ 1,569.47
Street Lights	2.78%	$ 62,104.88		$ 62,104.88
Unmetered	0.38%	$ 8,540.87		$ 8,540.87
Total	100.00%	$ 2,232,184.47	$ 133,575.42	$ 2,365,759.89

1

Incremental Capital Module

VECC Question # 5

Reference: Exhibit 1, Tab 2, Schedule 2

Preamble: The Threshold Parameters provided by West Coast Huron on page 2 show a price escalator of 1.30 % and a stretch factor of 0.60%. A growth factor of -3.05% is proposed based on 2009 audited RRR as the denominator in the growth calculation. The Board's Stretch Factor Rankings for 2012 released on December 1, 2011 indicates a stretch factor of 0.40% for West Coast Huron. On November 10, 2011 the Board established the price escalator (inflation index) for IRMS for adjusting electricity distribution rates effective January 1, 2012. The updated annual percentage change in Gross domestic Product Implicit Price Index for Final Domestic Product (GDP-IPI) to 1.7%.

a) Please update the price cap index and threshold test using the updated parameters and a growth factor of -6.67% based on the 2009 re-based values in the growth calculation.

West Coast Huron's Response:

As calculated below.

Threshold Parameters

Price Cap Index		
Price Escalator (GDP-IPI)	1.70%	
Less Productivity Factor	-0.72%	
Less Stretch Factor	-0.40%	
Price Cap Index		**0.58%**

Growth		
ICM Billing Determinants for Growth - Numerator : 2010 Audited RRR	$2,207,201	A
ICM Billing Determinants for Growth - Denominator : 2009 Re-Based Forecast	$2,364,819	B
Growth	**-6.67%**	C = A / B

Threshold Test

Year		**2009**	
Price Cap Index		**0.58%**	**A**
Growth		**-6.67%**	**B**
Dead Band		**20%**	**C**
Average Net Fixed Assets			
Gross Fixed Assets Opening	$	5,311,351	
Add: CWIP Opening	$	-	
Capital Additions	$	-	
Capital Disposals	$	-	
Capital Retirements	$	-	
Deduct: CWIP Closing	$	-	
Gross Fixed Assets - Closing	$	5,311,351	
Average Gross Fixed Assets	$	5,311,351	
Accumulated Depreciation - Opening	$	1,863,531	
Depreciation Expense	$	333,105	**D**
Disposals	$	-	
Retirements	$	-	
Accumulated Depreciation - Closing	$	2,196,636	
Average Accumulated Depreciation	$	2,030,083	
Average Net Fixed Assets	$	3,881,868	**E**
Working Capital Allowance			
Working Capital Allowance Base	$	8,190,856	
Working Capital Allowance Rate		15%	
Working Capital Allowance	$	1,228,628	**F**
Rate Base	$	**5,110,497**	**G = E + F**
Depreciation	**D** $	**333,105**	**H**
Threshold Test		**26.05%**	**I = 1 + (G / H) ^ (B + A * (1 +**
Threshold CAPEX	$	86,770	**J = H *I**

1

2

VECC Question # 6

Reference: Exhibit 1, Tab 2, Schedule 2, Page 2

Preamble: West Coast Huron notes that its re-basing billing determinants were over inflated and thus created a significantly reduced growth factor which resulted in a suboptimal threshold calculation.

a) Please explain why West Coast Huron's considers its re-basing billing determinants to be overinflated.

West Coast Huron's Response:

Please reference 2009 COS Decision and Order EB-2008-0248 June 17, 2009 page 6 of 35

> While the Board notes that customer count may be overestimated and the absence of broader economic and CDM effects, the Board accepts the Applicant's customer count and load forecast for the purpose of setting rates in this application.

VECC Question # 7

Reference: Exhibit 1, Tab 2, Schedule 2, Page 8

Preamble: West Coast Huron has determined that the Sifto Line Expansion will be approximately $2.8 million. At the time of this application, the customer has not committed to contribute any monies to the development of this project. West Coast Huron intends to pursue a contribution in aid of construction.

a) Please provide an update on Sifto's contribution.

West Coast Huron's Response:

West Coast Huron Energy has entered into as agreement with Sifto: This agreement is broken down into two parts; part one is the new Breaker Position on the Goderich TS. Sifto will reimburse WCHE for the amount paid to Hydro One for all Hydro One's costs associated with the New Breaker Position. (Hydro One's estimated $1,000,000.00). Part two is the incremental costs for the line upgrade and Sifto has agreed to pay these costs. ($1,800.000.00 approximately)

b) Please summarize West Coast Huron's approach to date and planned future approach in dealing with Sifto to receive a contribution to the project.

West Coast Huron's Response:

Please see response above.

c) Please provide an estimate of Sifto's contribution.

West Coast Huron's Response:

Please see response above.

Exhibit 3

Tab 2 of 2

Appendices

Appendix 1 of 2

Appendix A - Overview For the Board

WEST COAST HURON ENERGY INC

Overview for the OEB

Dedicated Line To Sifto Canada Corp. from the Goderich Transmission Station

7/7/2011

Overview for the OEB

Ref: West Coast Huron Energy Inc (Goderich Hydro) (GH)

The purpose of this paper is to give the OEB an overview of the events leading up to the Current Systems Constraints on both the LDC's infrastructure and the demands on the Goderich "TS" placed on GH by Sifto Canada Corp. (world's largest salt mine).

1. In January 2008 a report was presented by David Wills (Appendix A) outlining the current and future requirements of Sifto and the recommendations for GH to enhance our infrastructure.

2. The following information was the system as of that study date:
   - Goderich Hydro has two feeders, the M3 which peaks at 17 MW or 475 A and the M4 which peaks at 9.5 MW or 215 A. The feeders are 336 conductor which has a maximum current rating of 450 A. Refer to Section 5 for discussion. The load on the M3 is primarily one customer, Sifto Salt, whose load characteristic have a low power factor of about 0.78. Since at peak the 336 conductor exceeds its rating, the LDC has no operating flexibility or redundancy for the loss of critical feeder elements. Sifto has expansion plans and the LDC is concerned that a critical situation is going to get worse.

3. Sifto's contribution to the load at that time was as follows:
   - Sifto's contribution to the peak load on the M3 is 9.5 MW. Sifto's load has a power factor ("PF") that varies between 0.65 and 0.85 and averages in the 0.78 range. At peak load, the feeder current on the M3 is 475 A because of the low PF and 215 A on the M4. The LDC feeders are 336 ACSR which is rated for a maximum operating current of 450 A[1].therefore at peak load the feeder current is at 102% of the maximum rated conductor current

4. In 2008 Sifto's projection of increased load was as follows:
   - Sifto's existing load is 11.5 MW at peak. Sifto has advised the LDC that it plans to add about 1000 HP of additional crusher motor load in 2008 and a third hoist in about two to three years. It takes no analysis and no data to conclude that a tight operating situation will get even tighter but the stark numbers are that this load addition could increase the Sifto load to 14.5 MW (perhaps less with some

diversity) but in the worst case the M3 load would increase to 549 A or 122% of the existing feeder conductor current capacity.

- The Sifto load is diverse but the major components are two hoists, one with 2 X 1300 HP motors and the other with 2 X 1500 HP motors, that transport salt to the surface and crushing equipment rated at about 1000 HP. When the hoists are accelerating the LDC notices a significant short term transient response on the feeder. While accurate records and data do not exist it is not unusual for the feeder to be at 280 a one minute and at over 440 at the next minute. These current excursions occur several times a minute. The thermal impact on the LDC is less than the peak so in a 5 minute period where the current has exceeded 400 A three times it is estimated that the feeder will see this as an integrated current of about 335 A.

5. In January of 2010, GH asked Sifto to review its Load Forecast for the next several years, thus enabling GH to prepare its load forecast for Hydro 1. As part of that process GH was provided with sample 5 second data (Appendix B) which until that time had been unavailable. If you look at the highest peak in that Appendix it shows on December 30th at 19:19:55 a peak of 21,502 kVA and at 19:19:25 a low peak of 11,547 kVA, so within a 30 sec time frame there is a swing of over 9,955 kVA. These swings and peaks are not shown on our meters thus making it hard for us with our system planning.

6. In Sifto's load forecasting they were projecting a load of 14.5 MW as you can see this number does not resemble the 21.5 MW in December 2009.
   - Since 2009 Sifto has installed two new 6000HP DC motors for their hoists and they have ordered two new Continuous Miners for Commissioning June 2012; each miner will consume an additional 1.5MG of continuous load.

7. The current feeder to the mine is the M3 it also supplies our MS, Hospital and other C&I customers. Their anticipated load is in excess of the capacity of that feeder.

8. When you look at the Goderich Hydro's Assigned Capacity (Appendix C) on the TS it is 25.3 MW, if we just add the two new miners' capacity (2x1.5MW) this would put us over our allocation for all but one month since January 2008.

9. Goderich Hydro feels that there are two issues:
   - The internal distribution system
   - The transformation capacity of the Goderich "TS"

10. We need to immediately address our internal distribution system:
   - Remove the mine off the feeder (M3)
   - Obtain a new breaker position at the TS (M7) for the sole use of Sifto discussions are underway with Hydro 1 who are looking at upgrading the TS by adding a new 5083 transformer, this upgrade was being constructed for the Wind Generation and had not taken into consideration our(LDC's) ongoing supply issues.
   - Discussions are ongoing in this regard. We have asked for two breaker positions on the new transformer and now Hydro 1 are suggesting that the total cost should be borne by ourselves and possibly HON. We find this hard to agree too as the breaker positions for the wind will still be included in the design. The only incremental cost for Hydro 1 is the installation of two new breaker positions.
   - Construct a new dedicated line from the TS to the mine, (part of this construction has been completed the balance will be in the range of $1.5 million which needs to be completed by spring 2012).

11. We have enclosed WCHE's letter to Hydro 1 and their response. (Appendix D)

Appendix A

David Wills Report

CONFIDENTIAL

Goderich Hydro

January 2008

Distribution System Assessment

for

Proposed Sifto Salt Load Expansion

Analysis of Operating Conditions, Redundancies

Potential Upgrade Recommendations

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ASSUMPTIONS AND RELIANCES

DW has prepared this report assuming the authenticity and accuracy of all documents, data and files submitted by or on behalf of Goderich Hydro and Sifto Salt and has relied on the representations and information made available to conduct the studies and prepare this report. I have performed appropriate due diligence but not undertaken any special or independent investigation to determine the accuracy, existence or absence of such facts or circumstances.

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Goderich Hydro Distribution System Assessment

1. Executive Summary

Goderich Hydro (the LDC) has two feeders, the M3 which peaks at 17 MW or 475 A and the M4 which peaks at 9.5 MW or 215 A. The feeders are 336 conductor which has a maximum current rating of 450 A. Refer to Section 5 for discussion. The load on the M3 is primarily one customer, Sifto Salt, whose load characteristic have a low power factor of about 0.78. Since at peak the 336 conductor exceeds its rating, the LDC has no operating flexibility or redundancy for the loss of critical feeder elements. Sifto has expansion plans and the LDC is concerned that a critical situation is going to get worse.

This report assesses the status quo and works through a number of potential options to reinforce supply, lower operating currents and provide operating flexibility and redundancy.

There are two approaches with some similar and some alternate options. The first is to maximize the facility of the two existing feeders. The second and preferred option is to add a third feeder.

The components of the approaches can be mixed and matched for interim relief providing the end point is kept in focus and to some extent the order of activities depending on the opportunity to do work, the timing available and working with Sifto's plans to integrate the upgrades to ensure the least disruption to the town's customers and Sifto.

In summary the upgrades recommended for consideration are:

a. Maximize Two Feeders

- Increase conductor size on M3 egress and line section from TS to MS 2 to 795 ACSR. Assess potential to increase breaker trip setting to 800 A at the same time.
- Tie between M3 and M4 at TS
- Split Sifto load by double circuiting into plant
- Build tie line between M3 and M4 circuits MS 1 to MS 2.
- Upgrade M4 conductor from TS to MS1 to 795 ACSR.
- Upgrade M3 egress from 750 kCMil Al to 1000 kCMil Cu.

b. Add Third Feeder

- Build tie line between M3 and M4 circuits MS 1 to MS 2.
- Add breaker position to TS.
- Build 3rd circuit from TS to MS2. Increase M3 conductor size to 556 from TS to MS2.
- Split Sifto load by double circuiting into plant
- Add ties between TS and splits for M3, M4 and 3rd feeder to increase operating flexibility.
- Upgrade M3 egress from 750 kCMil Al to 1000 kCMil Cu.

2. Background

The LDC has two feeders supplied by Goderich TS, the M3 and the M4. The feeders peak annually in August, the M3 at 17 MW and the M4 at 9.5 MW. The M3 has a large customer, Sifto Salt that influences the feeder characteristics significantly. Sifto's contribution to the peak load on the M3 is 9,5 MW. Sifto's load has a power factor ("PF") that varies between 0.65 and 0.85 and averages in the 0.78 range. At peak load, the feeder current on the M3 is 475 A because of the low PF and 215 A on the M4. The LDC feeders are 336 ACSR which is rated for a maximum operating current of 450 A[1].therefore at peak load the feeder current is at 102% of the maximum rated conductor current

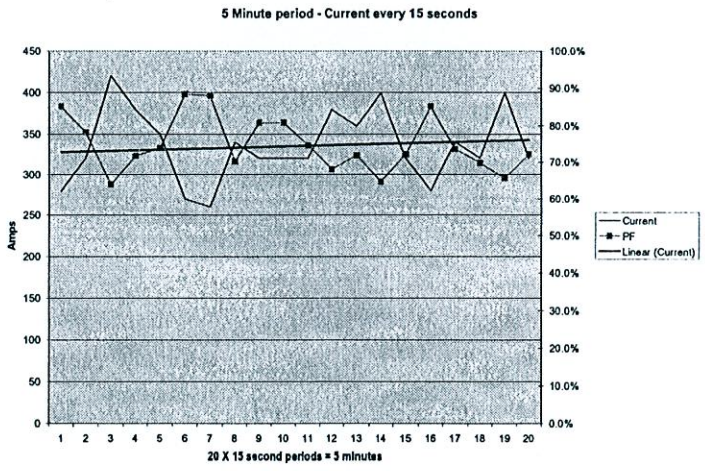
The system has a normally open point just to the south of the tap to Sifto Salt. When the system was designed and installed it was intended that if the either the M3 or M4 breaker was opened the entire load could be carried on the alternate feeder or that with sectionalization sections of the two feeders could be isolated in the event of equipment failure or to perform maintenance work on the system. That is now extremely limited or not possible on most days in the summer peak months.

Taking the data from above it is evident that any attempt to pick up the total LDC load with one breaker will result in a feeder current in the order of 690 A which exceeds the setting for the timed overcurrent protection on the TS 800 A breaker of 80% of the rating = 640A which was likely set with reference to a calculated 336 conductor extreme hot rating.

3. Sifto Load and Load Profile

The Sifto load is diverse but the major components are two hoists, one with 2 X 1300 HP motors and the other with 2 X 1500 HP motors, that transport salt to the surface and crushing equipment rated at about 1000 HP. When the hoists are accelerating the LDC notices a significant short term transient response on the feeder. While accurate records and data do not exist it is not unusual for the feeder to be at 280 A one minute and at over 440 A the next minute. These current excursions occur several times a minute. The thermal impact on the LDC is less than the peak so in a 5 minute period where the current has exceeded 400 A three times it is estimated that the feeder will see this as an integrated current of about 335 A. This is represented graphically in Figure 1.

Figure 1



[1] Bare conductor, Still Air, 40^0 C Ambient, No Sun, 60$^{0\,C}$ conductor temperature rise,

When the hoists accelerate the current increases from 280 A to 440 A and back to 280 A in about one minute. Thermally this is equivalent to an integrated current of about 350 A. This is represented graphically in Figure 2.

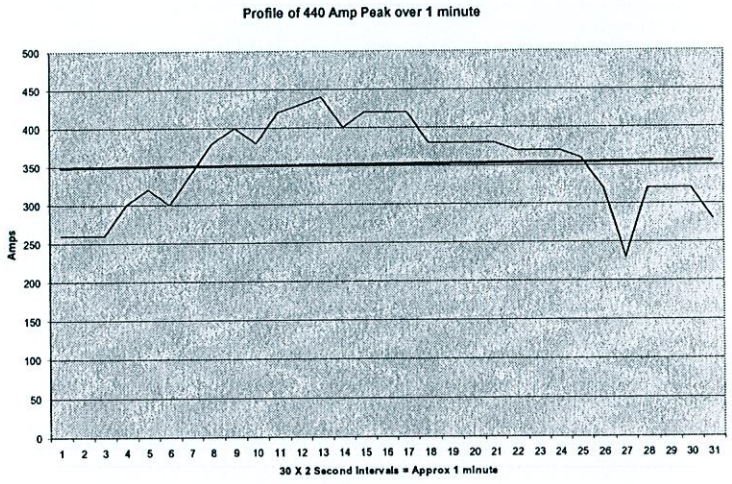


Figure 2

4. Sifto Load Expansion Plans

Sifto's existing load is 11.5 MW at peak. Sifto has advised the LDC that it plans to add about 1000 HP of additional crusher motor load in 2008 and a third hoist in about two to three years. It takes no analysis and no data to conclude that a tight operating situation will get even tighter but the stark numbers are that this load addition could increase the Sifto load to 14.5 MW (perhaps less with some diversity) but in the worst case the M3 load would increase to 549 A or 122% of the existing feeder conductor current capacity.

5. Conductor Rating

Much of the rationale for the following analyses is based on the current rating of the conductor. There are no hard and fast rules for rating conductors but there is prudence and good engineering judgement.

Essentially as current is passed through a conductor it heats up in relation to the equation I2R but it also dissipates that heat which depends on the surface area, the ambient temperature, the wind the sun and other such variables. As the conductor heats it sags so an additional variable is how hot are you prepared to let it get.

The rating in DESS, the software used for analyzing the Goderich system, is based on an approximation that can be considered a reasonable "rule of thumb" for the maximum current carrying capacity of the conductor and it originates from a well respected engineering "bible" originally published by Westinghouse and now by ABB.

These values are as follows:

Conductor Size	Maximum Current Rating (Amps) ABB
336 ACSR	530 A
556 ACSR	730 A
795 ACSR	900 A
336 AL	530 A
556 AL	730 A
795 AL	900 A

Another source that takes a more scientific approach and calculates the rating over a range of conditions is more conservative.

Conductor Size	Maximum Current Rating (Amps) Still Air[1]	Maximum Current Rating (Amps) 2 ft. per sec wind[1]
336 ACSR	450 A	480 A
556 ACSR	640 A	680 A
795 ACSR	820 A	850 A
336 AL	580 A	640 A
556 AL	820 A	850 A
795 AL	1100 A	1130 A

[1] 40^0 C Ambient, No Sun, 60^0 C temperature rise.

As mentioned the DESS rating is an approximation and an upper limit and actual current carrying ability is determined by ambient temperature, wind, sun and acceptable temperature rise for the conductor.

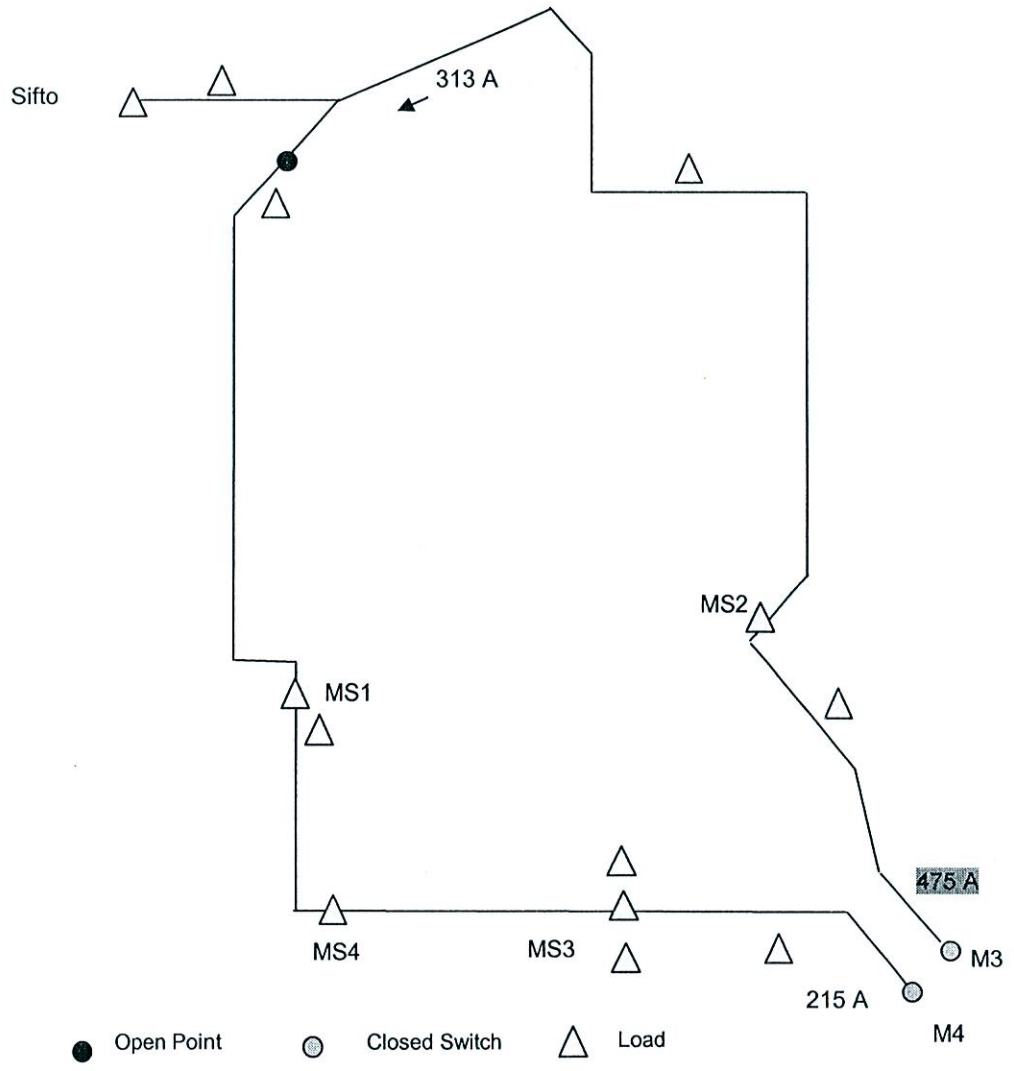
Variation of these factors produces different results as shown in the last chart. The effect of higher currents is higher losses and sagging of the conductor. Since not all clearances are known and there may be sections of aluminum rather than ACSR some safety factor is required to ensure the phase conductors don't touch or sag into the neutral. For this reason the rating for aluminum conductor in still air has been used as a maximum in this report.

With a maximum of 450 A for 336 and 640 A for 556 A a design criteria of 300 A for 336 and 425 A for 556 for normal operation and economic system operation, to reduce losses, has been chosen.

6. Potential Solutions

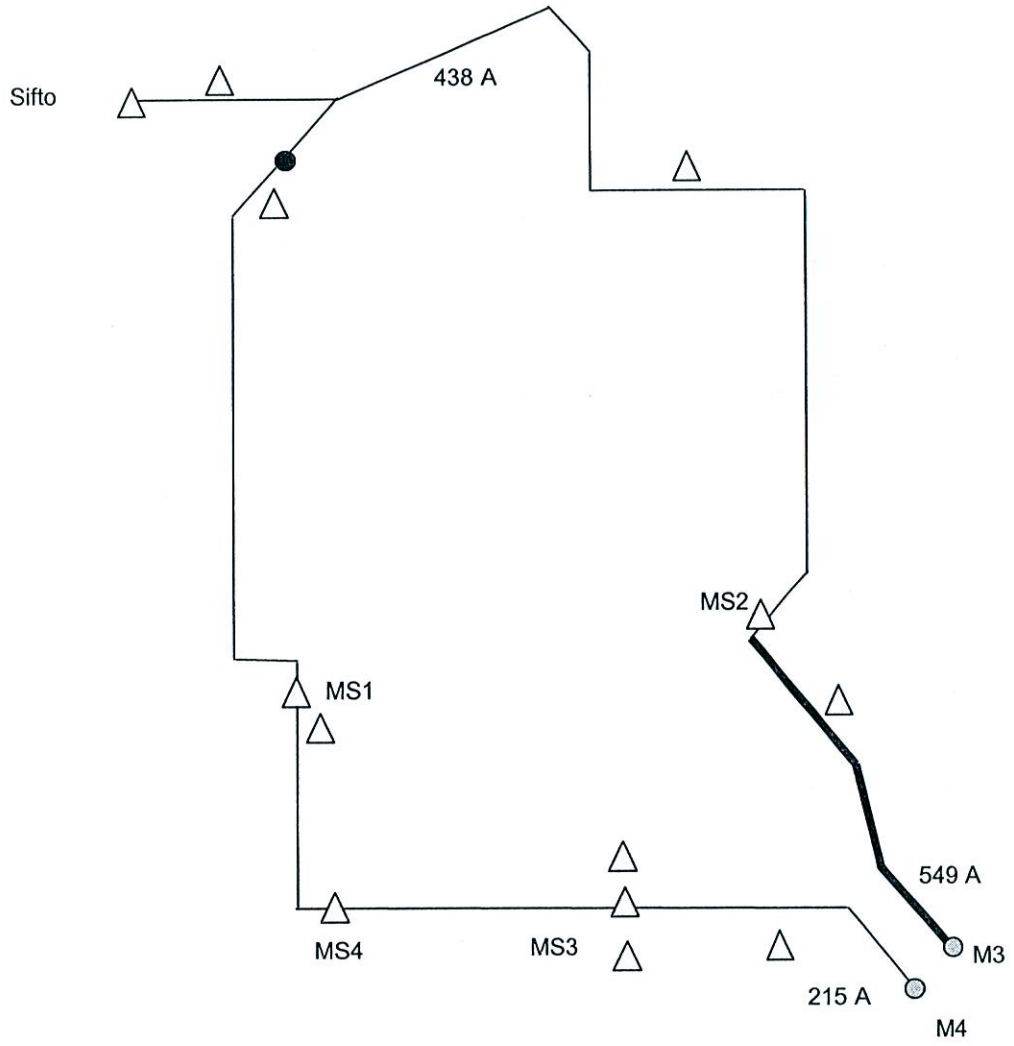
The LDC 27.6 kV system can be represented graphically by the following simplified drawing. The status quo currents at peak are shown at several key points. The first obvious concern is the line section from the TS to MS2 which exceeds the rating for 336 conductor.

a. Status Quo



b. Upgrade Conductor TS to MS2 on M3

This scenario is illustrated below with a load increase at Sifto.

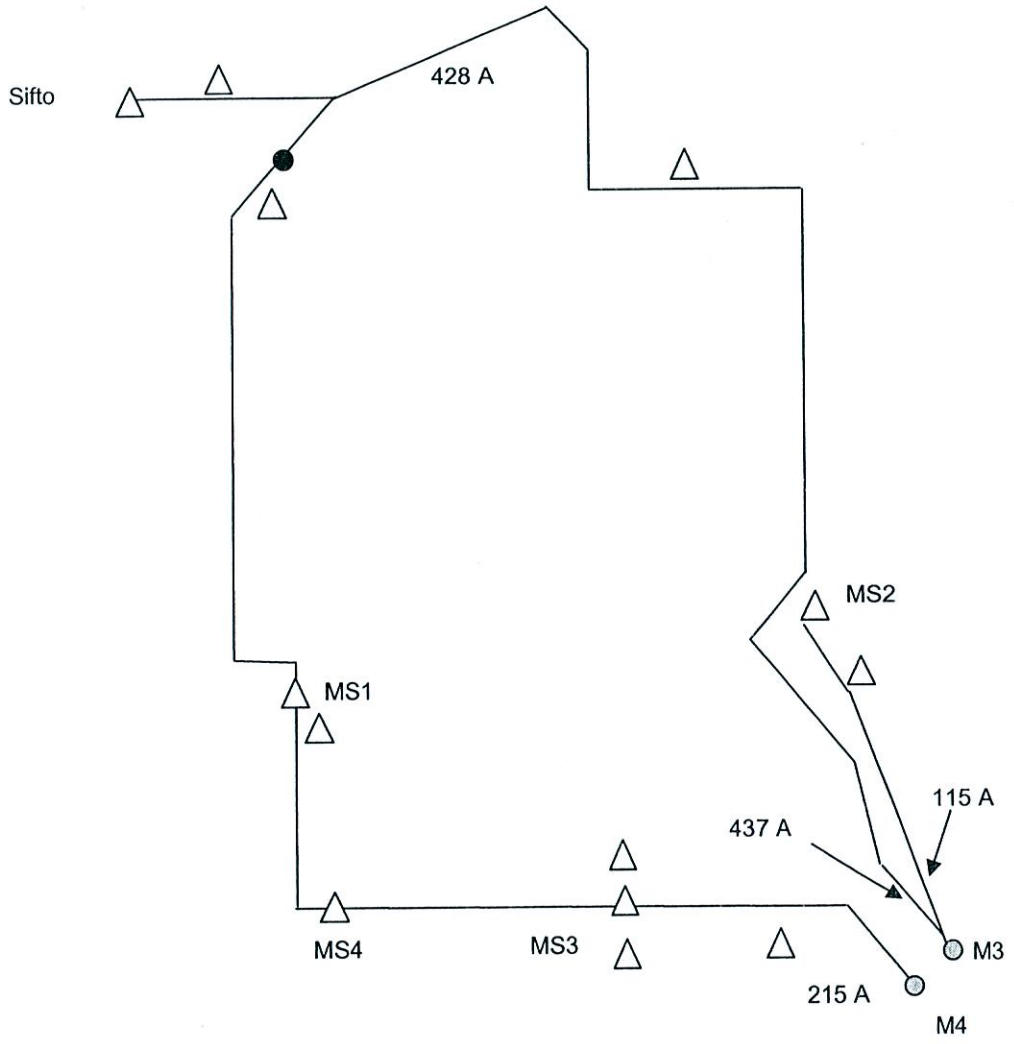


Discussion

One option is to upgrade the 336 conductor but unless this is done from the TS to Sifto any section that is not upgraded will be near capacity. For example the conductor as far as MS 2 could be replaced with 556 or 795 ACSR which would alleviate peak loading with both breakers in service but does nothing for operating flexibility in peak months and leaves the section from MS 2 to Sifto at close to its rated capacity leaving no room for additional load.

c. *Alternative to Upgrade from TS to MS2 on M3*

Another option is to relieve load from the M3. For example if the M3 is parallel/"double" circuited from the TS to MS 2 and MS 2 and the industrial load to the east of the M3 transferred to the new circuit this relieves the current in the first section of the feeder but it does not resolve the loading of the feeder section from MS2 to Sifto or resolve operating flexibility.



Discussion

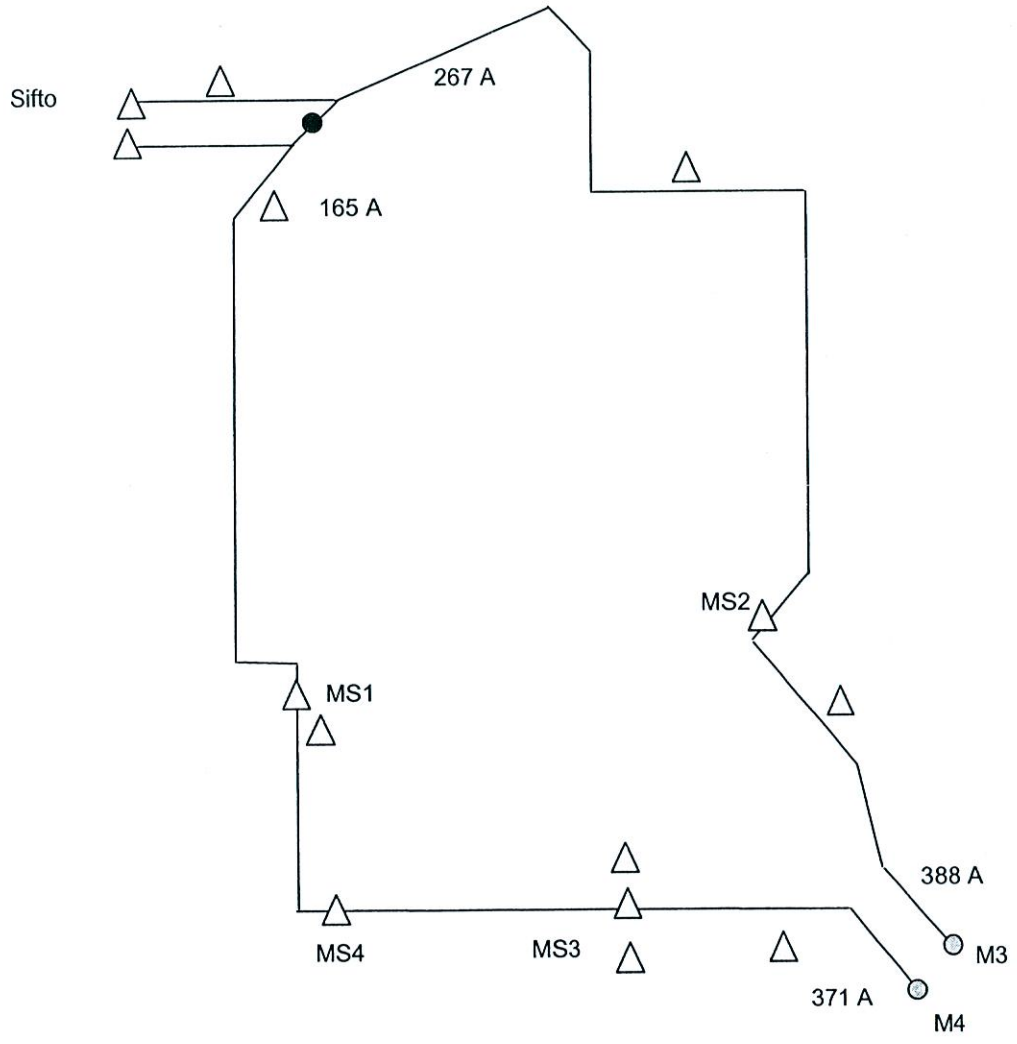
All of the above options have one thing in common – they attempt to resolve the problem by leaving Sifto unchanged as a single load entity.

Sifto is in fact a load that is split at the plant into one 12.5 MVA transformer which supplies the crushers and plant load and two 4 MVA transformers which supply one hoist each.

d. Double Circuit Sifto Line

If the line to Sifto were double circuited and for example the 12.5 MVA transformer with the new crusher and the new hoist picked up off the M3 and the two 4 MVAs with the existing hoists picked up off the M4 this would split the load between the M3 and the M4

This is illustrated as follows.



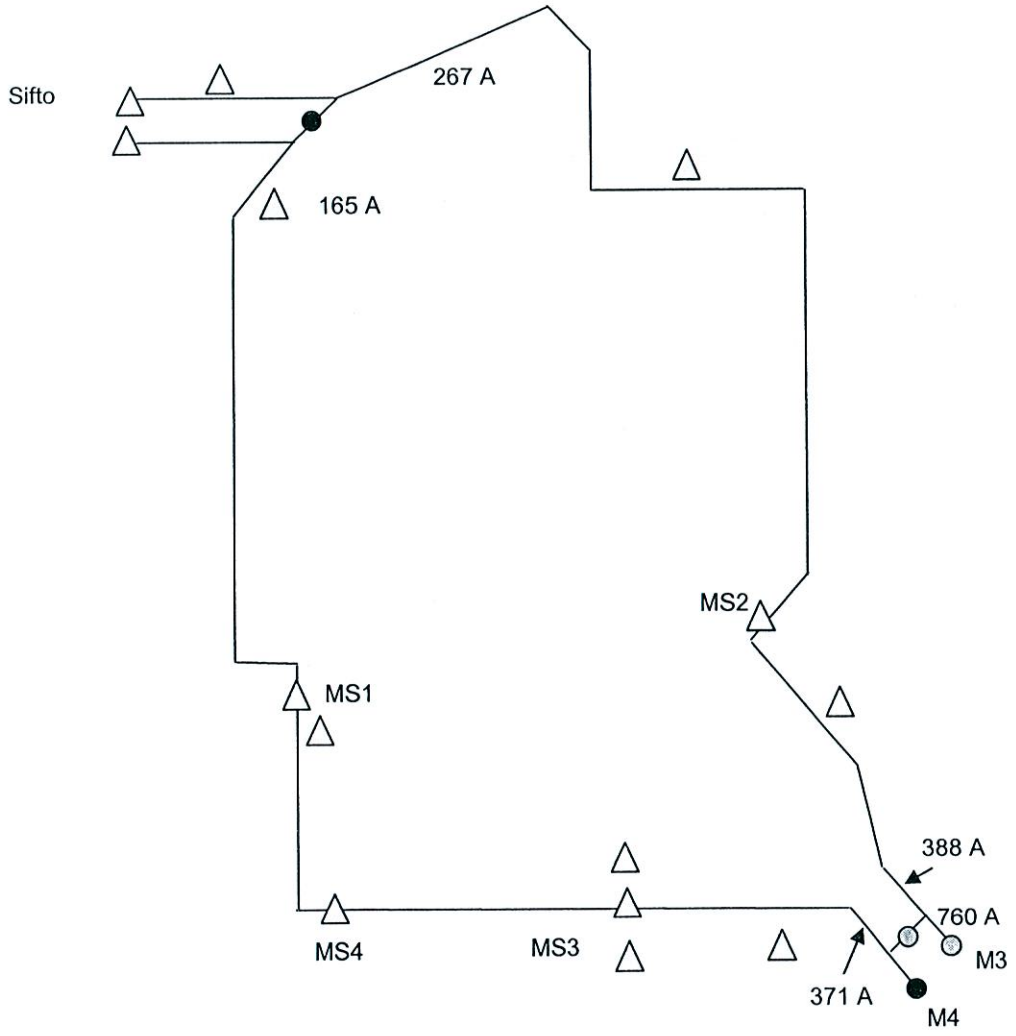
Discussion

This works for normal operating conditions but not for loss of the M3 or M4 feeder breaker. In this situation the combined current on the remaining feeder exceeds 750 A.

e. *Tie Switch between M3 and M4*

This can be resolved by the addition of a tie switch beyond the point where the egresses from the TS connect to the M3 and M4 feeders but this only works if everything upstream of the switches is rated accordingly. Unfortunately the M4 is supplied by 750 kCMil AL underground which becomes a weak link in the chain with a rating of 560 A. If this conductor was upgraded to 1000 kCMil Cu it would have a capacity for 900 A.

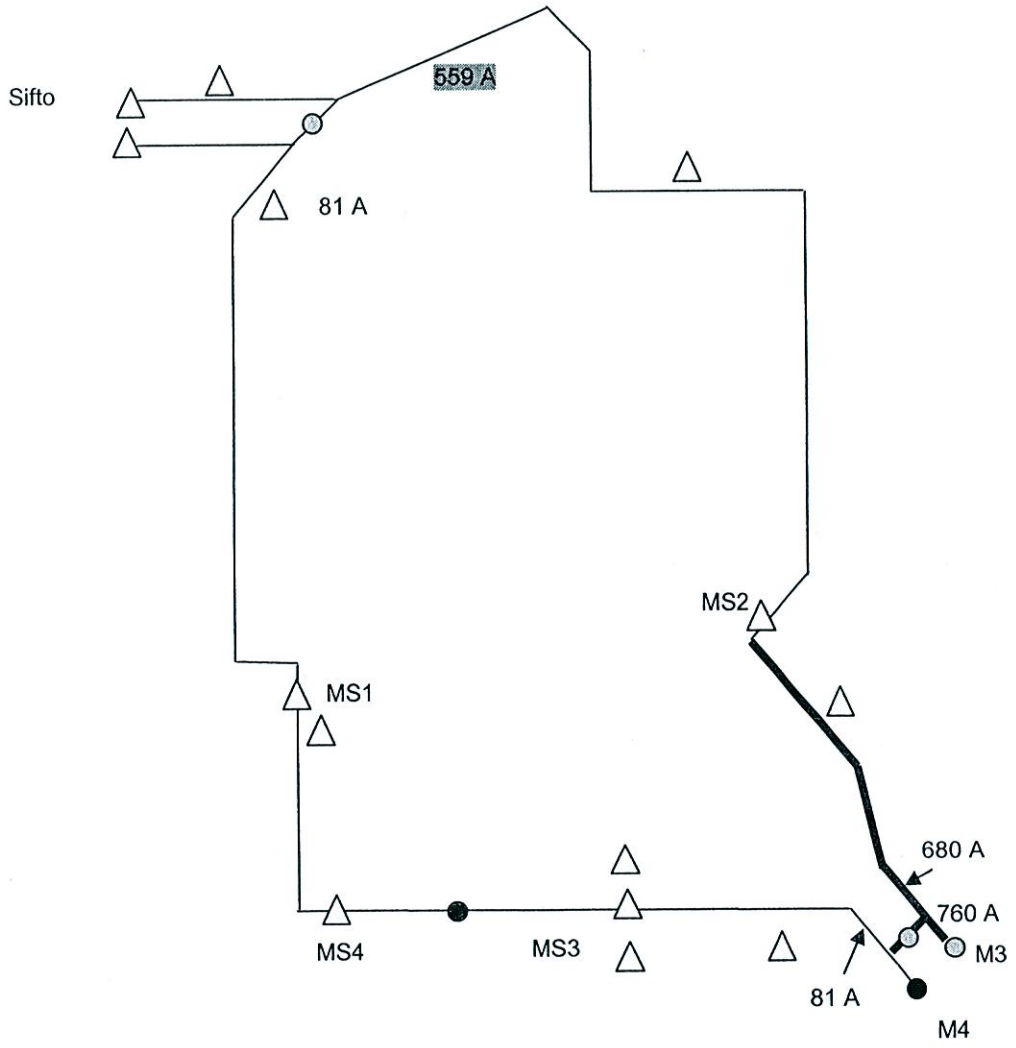
With this worst case scenario the current in the first section up to the tie switch would be 760 A which would be within the capacity of 795 ACSR.



Discussion

The other assumption in this operating arrangement is that the breaker settings at the TS can be increased to 800 A. It is clear that this is pushing the limits of what is possible with two feeders and planning for a contingency where one is not available and the LDC wants to maintain temporary supply on the single remaining feeder. It should be noted that the Sifto load has been modelled at the maximum likely. It is possible that when it is added, with diversity, it will be less than forecast.

This works providing all the sections on both feeders are available but if the section, say between MS3 and MS4 is not available the 336 in the M3 again becomes the weak link as follows.

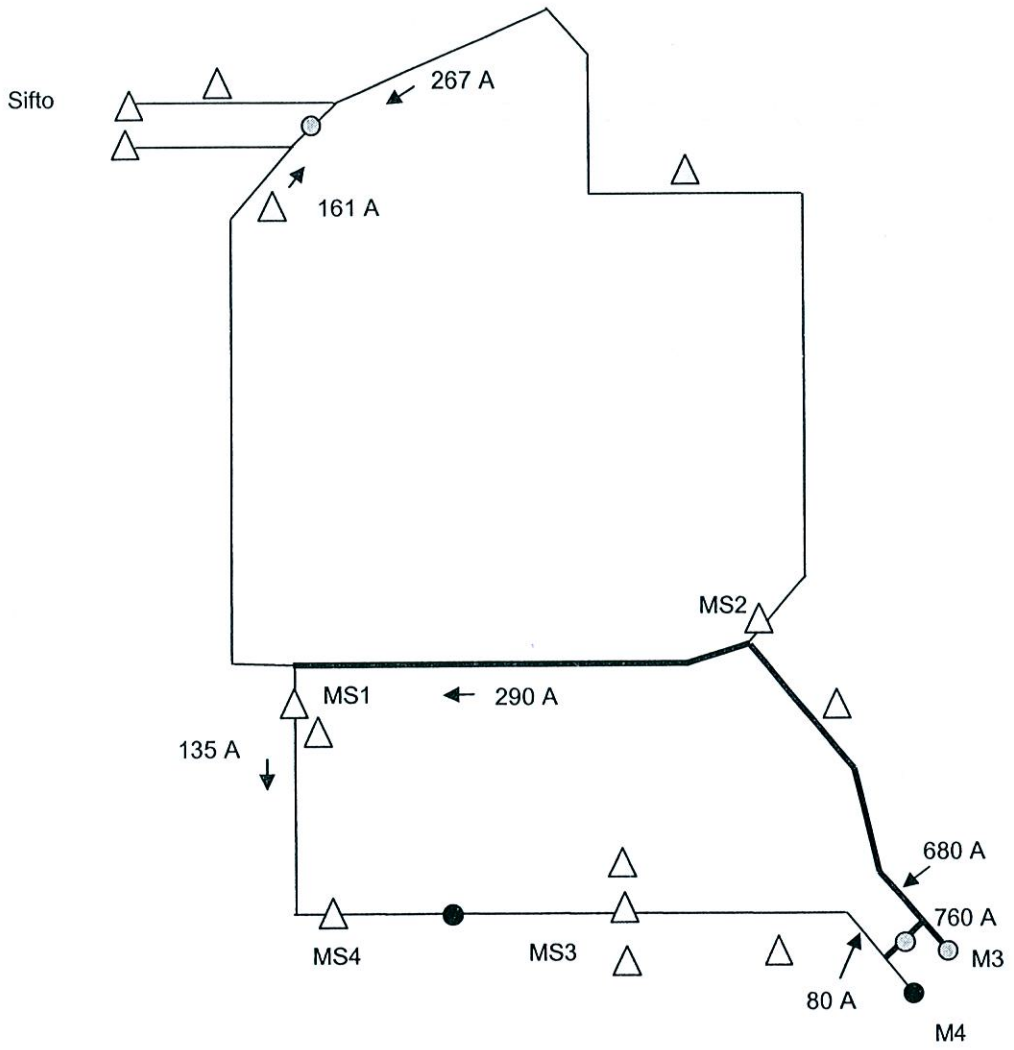


f. Tie Line between M3 and M4

This can be mitigated by building a tie line between the M3 and the M4 from MS 2 to MS 1 and increasing conductor size of the M3 from the TS to MS 2. With this configuration the flexibility of the operating conditions that can be supported is significantly increased.

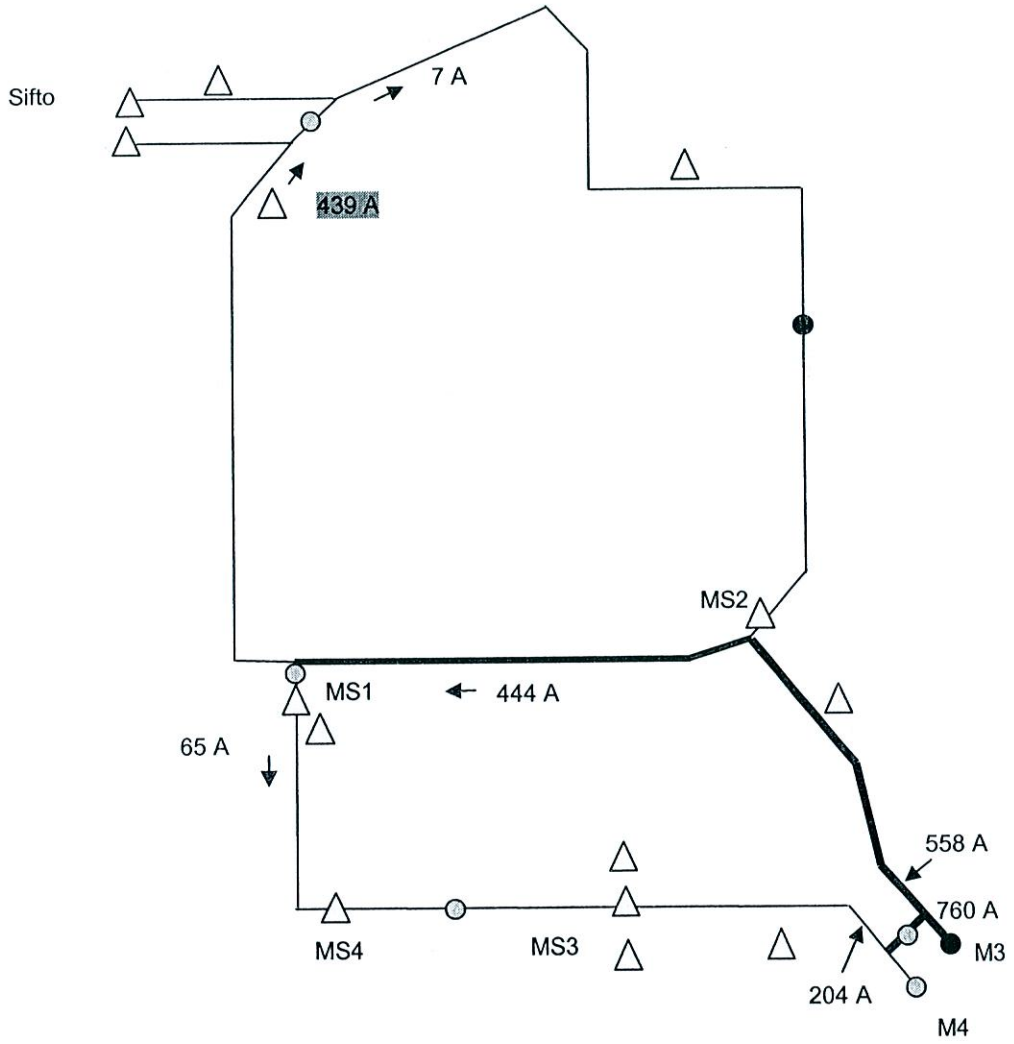
i. Example 1

Starting with the example from the Discussion in e) above for illustration the ability of the tie line to split load is evident. All 336 line sections are now well within their maximum rating.



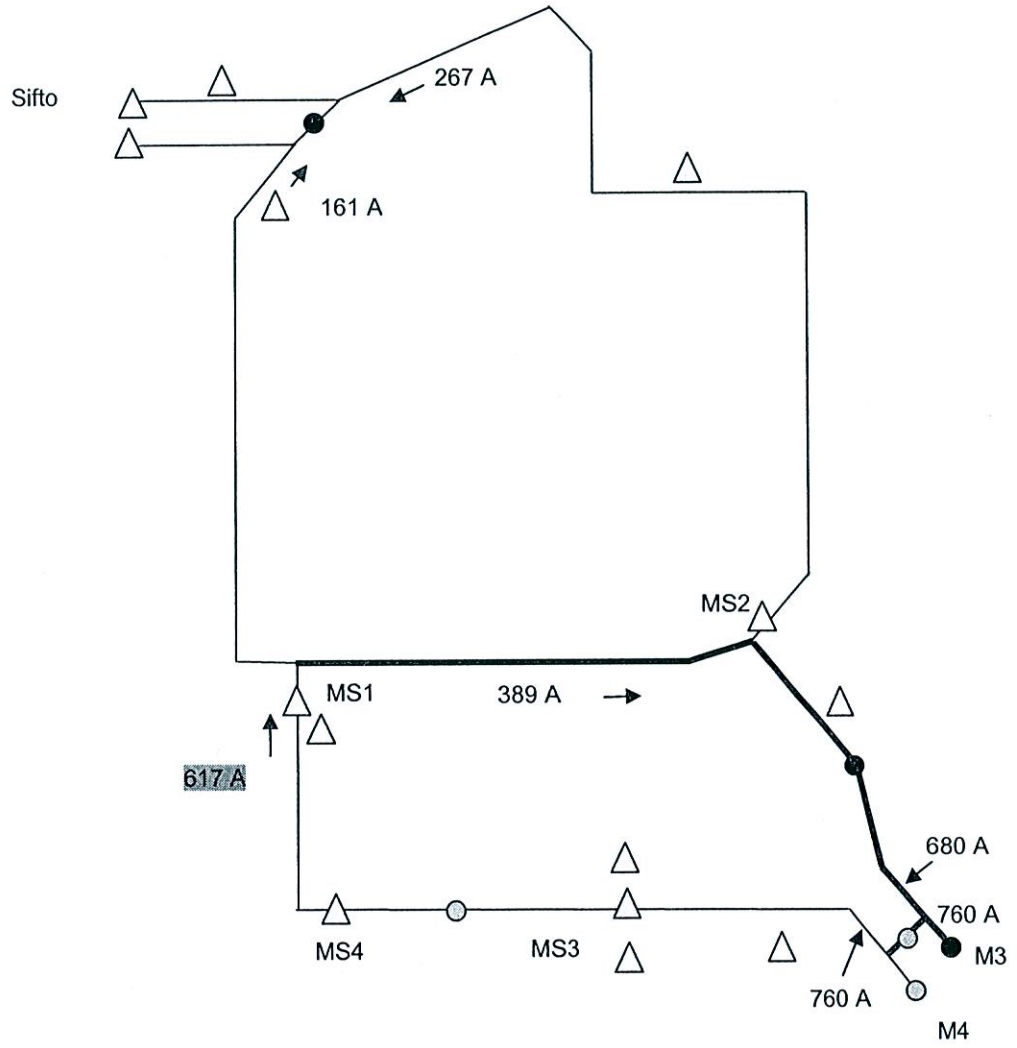
ii. Example 2

The above example is fine for normal operating conditions but for an open point in the line section above MS 2 the resultant current north of MS1 is pushing the limit of the 336 conductor 1 as it picks up all the load from Sifto.



iii. Example 3

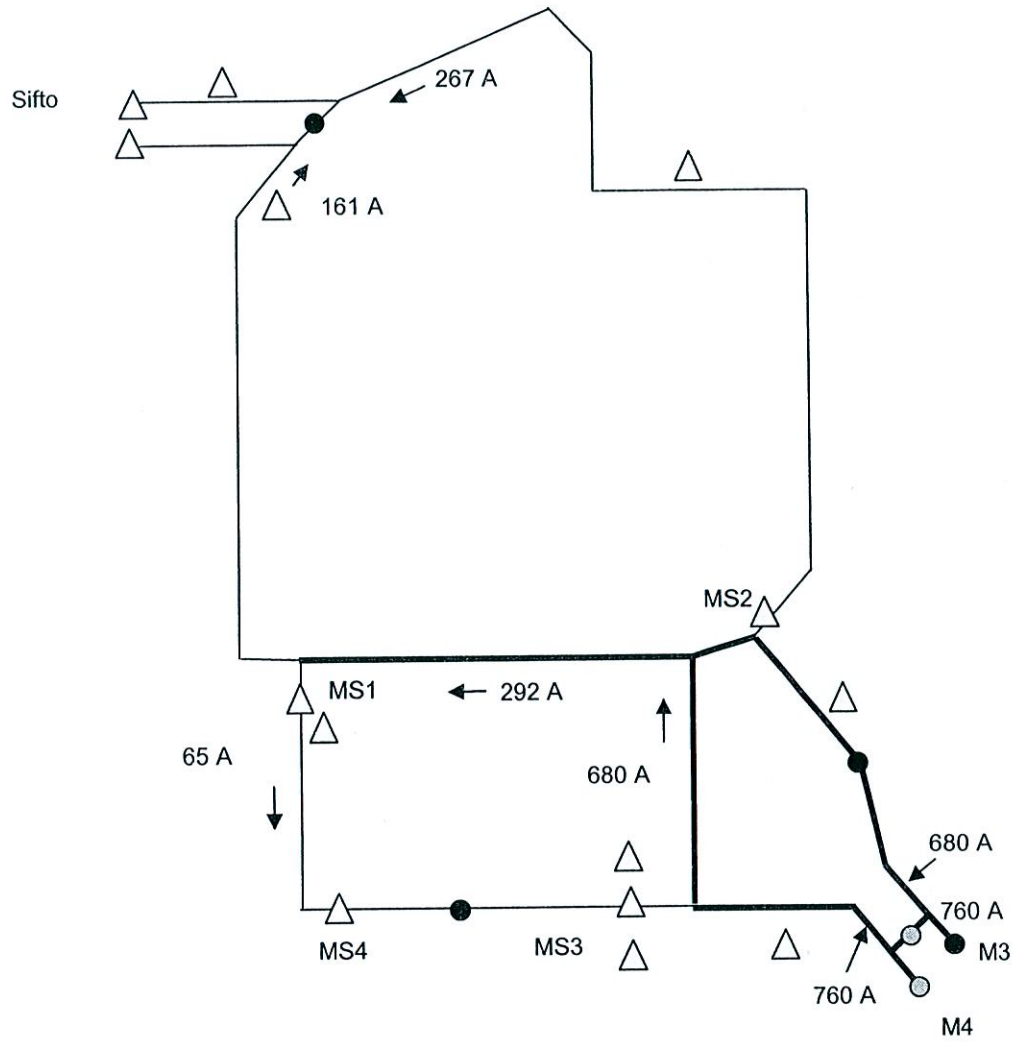
If the open point is below MS 2 the situation changes significantly and the 336 conductor supplying MS 1, 3 and 4 is not adequate.



Discussion

If the 336 conductor in the line section between the TS and MS1 were upgraded to 795 ACSR this figure eight configuration would offer about as much operating flexibility as was possible with two feeders.

One more alternative to this last option is to consider whether picking up the tie line more directly might be less expensive but there is a point where options layered on options become unrealistic.



7. Recommendations

While somewhat subjective, in order of anticipated effectiveness and cost the recommended order of consideration for system upgrades and reinforcement would be as follows. Any additional sectionalizing switches required are implied.

- Increase conductor size on M3 egress and line section from TS to MS 2 to 795 ACSR. Assess potential to increase breaker trip setting to 800 A at the same time.
- Tie between M3 and M4 at TS
- Split Sifto load by double circuiting into plant
- Build tie line between M3 and M4 circuits MS 1 to MS 2.
- Upgrade M4 conductor from TS to MS1 to 795 ACSR.
- Upgrade M3 egress from 750 kCMil Al to 1000 kCMil Cu.

8. Options and Alternatives

The above order of recommendations considers primarily the engineering benefits as the order of priority. There may be other considerations that would warrant a different order. For example if the tie line from MS1 to MS2 is built earlier it allows the line sections from the TS out to be isolated for upgrade purposes which will lower the cost of construction and reduce the time they are out of service.

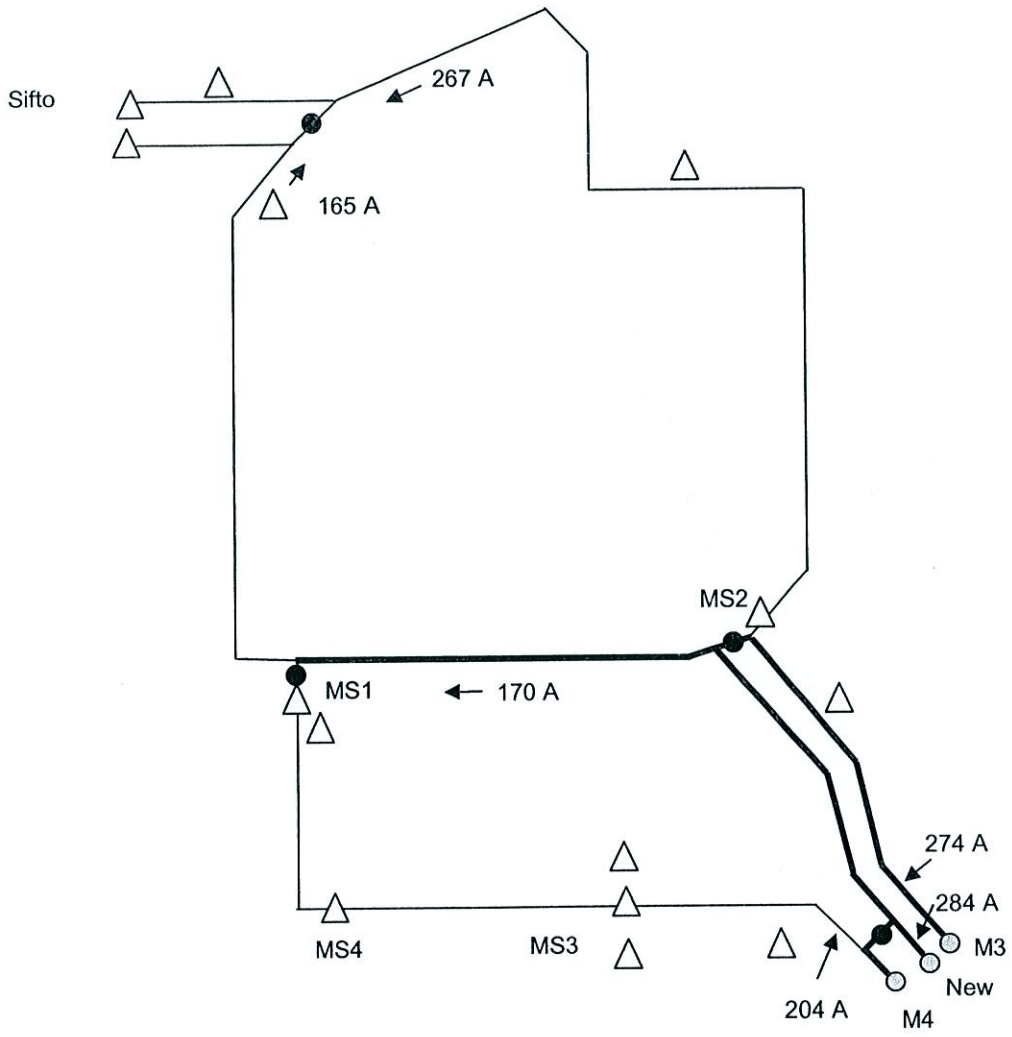
The above scenarios also focus on how to improve and extend the capacity of the existing two circuits but they virtually exhaust the ability of one circuit to back up the other.

If a breaker position is available at the TS the next option would be to consider a new breaker position and a third feeder. This would alter the options considered for the two feeders alone. Now the double circuiting of the line section to MS2 makes more sense because it can be the backbone of the third feeder.

With a third feeder as an option the order of priorities could be:

- Build tie line between M3 and M4 circuits MS 1 to MS 2.
- Add breaker position to TS.
- Build 3rd circuit from TS to MS2. Increase M3 conductor size to 556 from TS to MS2.
- Split Sifto load by double circuiting into plant
- Add ties between TS and splits for M3, M4 and 3rd feeder to increase operating flexibility.
- Upgrade M3 egress from 750 kCMil Al to 1000 kCMil Cu.

The end point would be as in the following



All new construction should use 556 ACSR conductor as a minimum but depending on the amount of redundancy required some existing 336 sections may be adequate. A further analysis of operating configurations and required conductor sizes can be undertaken to determine the optimum sizing for conductors and the limitations of various operating configurations with existing conductor.

Appendix B

Sifto's 5 Second Interval Load (example)

Local Time	tin	I avg	kVAR tot	kW total	PF sign	Vab	Vbc	Vca	kVA total	V L-L avg	Ia	Ib	Ic
2009-Dec-30 19:18:00.000	##	285.2511	9171.271	10,067.7100	-73.9252	27679.89	27450.94	27590.14	13618.77	27573.66	287.7921	288.5097	279.4516
2009-Dec-30 19:18:05.000	##	274.2304	8538.328	9,995.5811	-76.0357	27786.84	27560.19	27702.6	13145.90	27683.21	276.4359	277.5806	268.6748
2009-Dec-30 19:18:10.000	##	257.8278	7570.071	9,840.1787	-79.2597	27924.55	27705.42	27846.31	12415.12	27825.43	259.807	261.1559	252.5204
2009-Dec-30 19:18:15.000	##	307.8181	10278.75	10,309.2705	-70.8154	27423.42	27198.83	27340.4	14557.95	27320.88	310.2579	311.0446	302.1519
2009-Dec-30 19:18:20.000	##	396.9424	14345.03	11,192.5723	-61.515	26603.22	26372.52	26509.88	18194.88	26495.21	399.9451	400.4708	390.4114
2009-Dec-30 19:18:25.000	##	439.8112	15088.03	13,162.3926	-65.7383	26415.26	26175	26323.17	20022.42	26304.48	442.7221	443.7474	432.9642
2009-Dec-30 19:18:30.000	##	446.3588	13695.41	15,157.0352	-74.1976	26556.47	26314.63	26475.47	20427.92	26448.86	448.8061	450.7961	439.4742
2009-Dec-30 19:18:35.000	##	414.2804	11982.54	15,008.9189	-78.1493	26886.47	26648.54	26812.27	19205.44	26782.42	416.5518	418.5427	407.7468
2009-Dec-30 19:18:40.000	##	370.5517	10333.1	14,015.9199	-80.4903	27247.35	27012.54	27175.68	17413.18	27145.19	372.7321	374.707	364.2161
2009-Dec-30 19:18:45.000	##	365.0075	10171.77	13,811.4561	-80.5198	27246.59	27013.74	27174.73	17152.88	27145.02	367.1252	369.1862	358.7109
2009-Dec-30 19:18:50.000	##	363.2017	10057.04	13,763.1143	-80.7408	27210.36	26982.31	27137.54	17046.04	27110.07	365.1899	367.3836	357.0315
2009-Dec-30 19:18:55.000	##	352.5218	9731.447	13,392.1055	-80.8974	27225.08	26998.08	27152.26	16554.44	27125.14	354.5153	356.7022	346.3479
2009-Dec-30 19:19:00.000	##	344.8566	9564.331	13,141.0713	-80.8526	27322.83	27096.39	27246.06	16253.13	27221.76	346.769	349.0598	338.741
2009-Dec-30 19:19:05.000	##	302.1485	8393.267	11,689.3164	-81.2293	27615.21	27396.35	27540.62	14390.52	27517.39	304.0924	305.8192	296.5341
2009-Dec-30 19:19:10.000	##	265.432	7389.707	10,410.4023	-81.5445	27874.04	27656.31	27796.84	12766.53	27775.73	267.4414	268.7072	260.1475
2009-Dec-30 19:19:15.000	##	254.8103	7170.247	9,978.3281	-81.208	27945.23	27726.12	27864.61	12287.37	27845.32	256.8138	257.9045	249.7126
2009-Dec-30 19:19:20.000	##	282.1057	9066.136	9,920.7773	-73.8188	27614.28	27389.26	27525.76	13439.37	27509.77	284.7107	285.1608	276.4457
2009-Dec-30 19:19:25.000	##	271.9844	8642.607	9,674.5791	-74.5762	27664.32	27447.69	27578.3	12972.75	27563.43	274.0809	275.3427	266.5295
2009-Dec-30 19:19:30.000	##	238.3511	6378.255	9,626.0781	-83.3611	28074.56	27854.66	27994.3	11547.45	27974.51	239.8602	241.6506	233.5425
2009-Dec-30 19:19:35.000	##	281.5146	9314.951	9,646.3789	-71.9357	27629.16	27406.34	27542.33	13409.73	27525.95	283.9875	284.503	276.0532
2009-Dec-30 19:19:40.000	##	395.9181	14925.16	10,332.4521	-56.9197	26632.25	26394.59	26535.88	18152.69	26520.9	399.5338	398.7904	389.43
2009-Dec-30 19:19:45.000	##	457.6045	16508.83	12,392.5684	-60.0339	26192.5	25945.01	26089.91	20642.61	26075.81	460.9931	461.2597	450.5608
2009-Dec-30 19:19:50.000	##	468.3458	15290.21	14,717.2646	-69.3479	26328.6	26075.89	26235.1	21222.35	26213.2	471.3701	472.725	460.9424
2009-Dec-30 19:19:55.000	##	470.6622	13327.07	16,875.0293	-78.4777	26526.14	26271.67	26439.94	21502.96	26412.58	473.0578	475.8204	463.1085

Appendix C

Goderich Hydro's Assigned Capacity

WCHE assigned capacity

In addition to the monthly peak load data, calculations have been made to determine the assigned capacity. This is based on the highest of the "average of the three highest consecutive monthly peaks" during this three year period.

So, based on this data, the assigned capacities are:

West Coast Huron Energy – 25.3 MW

HONI – 16.9 MW

Note: there appears to be an anomaly in the March 2008 peak load for HONI. (Load is significantly higher than for other months.) This may have been a result of a temporary load transfer. If necessary, this could be resolved through discussions with the HONI Distribution Planner.

Wally, I believe this information completes HON's action items from our last meeting. As always, please call if there are any questions.

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Goderich TS Monthly Peak Loads - Excluding Generation

Month/Quantity	Total MW	West Huron MW	HONI MW
Jan-2008	39.8	24.6	14.3
Feb-2008	41.0	25.3	14.5
Mar-2008	38.0	24.2	22.0
Apr-2008	36.3	20.4	11.1
May-2008	33.2	21.0	12.1
Jun-2008	35.3	23.3	11.7
Jul-2008	38.7	24.3	12.7
Aug-2008	39.7	25.4	13.4
Sep-2008	36.6	23.2	11.4
Oct-2008	35.9	22.8	10.9
Nov-2008	39.0	24.1	13.2
Dec-2008	41.2	25.4	14.9
Annual Peak	41.2	25.4	22.0
Average Monthly Peak	37.9	23.7	13.5
PLI	0.92	0.93	0.61
Highest 3-month Avg Pk	39.6	24.7	16.9
Jan-2009	42.1	25.8	15.0
Feb-2009	42.1	25.7	13.9
Mar-2009	38.4	24.3	13.8
Apr-2009	33.2	21.8	11.2
May-2009	32.9	21.4	11.4
Jun-2009	37.2	23.6	11.1
Jul-2009	35.9	23.2	11.1
Aug-2009	41.3	24.4	13.6
Sep-2009	35.9	23.4	10.7
Oct-2009	36.2	22.2	11.2
Nov-2009	37.8	24.3	12.1
Dec-2009	40.7	24.8	14.2
Annual Peak	42.1	25.8	15.0
Average Monthly Peak	37.8	23.8	12.4
PLI	0.90	0.92	0.83
Highest 3-month Avg Pk	40.9	25.3	14.2
Jan-2010	39.2	24.3	13.6
Feb-2010	36.5	22.2	12.5
Mar-2010	34.7	22.1	13.5
Apr-2010	30.7	19.9	10.2
May-2010	32.7	21.7	10.5
Jun-2010	30.6	19.6	10.8
Jul-2010	38.6	22.7	14.3
Aug-2010	41.3	25.6	13.3
Sep-2010	39.9	24.0	12.5
Oct-2010	36.4	22.8	10.6
Nov-2010	36.6	24.8	11.3
Dec-2010	39.4	25.5	13.4
Annual Peak	41.3	25.6	14.3
Average Monthly Peak	36.4	22.9	12.2
PLI	0.88	0.90	0.85
Highest 3-month Avg Pk	39.9	24.4	13.4
Highest Annual Peak (2008-10)	42.1	25.8	22.0
Average PLI (2008-10)	0.90	0.92	0.77
Assigned Capacity (2008-10)	40.9	25.3	16.9

Notes
Total load is non-coincident
March 2008 HONI peak load appears to be an anomaly
Avg PLI and Assigned Capacity for HONI may not be appropriate

Appendix D

WCHE Letter

Hydro 1 Response

GODERICH HYDRO
West Coast Huron Energy Inc.
57 West Street Goderich, Ontario Canada N7A 2K5
Tel: 519-524-7371 Fax: 519-524-7930

June 14, 2011

Attention: Alex Urbanowicz

I am corresponding with you at this time on behalf of West Coast Huron Energy Inc. (Goderich Hydro) who have been discussing on a number of occasions, the current situation at the Goderich Transmission Station owned by Hydro One located within the Town of Goderich jurisdiction.

West Coast Huron Energy Board has had ongoing meetings with the major company operating the largest Salt Mine in the world being Sifto Canada Inc. owned by Compass Minerals. The concern that we have had on an ongoing basis during discussions both with Sifto representatives, Hydro One representatives and West Coast Huron Energy Inc. (Goderich Hydro) is the future of the Goderich TS and its ability to meet both current and future electricity demands required by Goderich Hydro and its users.

The current TS is approximately 60 years old and its "end of life" has been questioned and is under consideration by Hydro One.). Representatives of Goderich Hydro have had meetings with representatives of Hydro One to acquire information as to exactly what the future plans are and the ambitious program to improve the infrastructure at the TS. At this time we are surprised and perplexed as to the proposal presented to us on June 14, 2011. We are very supportive of the longer term proposed infrastructure improvements to the TS (even thought we have not been provided with any dates for the next phase). It appears that the current improvements will see a new transformer with the supportive infrastructure being placed on or before July 2012. Additional provisions would be made to provide for another transformer for future requirements of Hydro One and Goderich Hydro (date as yet unknown). However this does not address Goderich's immediate needs and future requirements of Goderich Hydro.

At the meeting it became evident that the old transformers would continue to provide the current electricity requirements of Goderich Hydro and that the new transformer would be for the use of the existing Kingsbridge wind farm and future renewable energy projects. The bus tie arrangement and impedance of the new transformer do nothing to benefit Goderich and Sifto contrary to our planning meetings with Hydro One

Noted above, there have been a number of meetings with Sifto Canada Inc. and Goderich Hydro as well as Hydro One to indicate the demands that Sifto will place on the current TS. Goderich Hydro has exceeded is assigned capacity for two months in each of the last three years. Sifto Canada Inc. has on order two continuous miners which will be commissioned in late Q1 or early Q2 2012 these miners will run 24/7 and will require 1.5 mega watts of electricity each. This increase in power will put Goderich Hydro over its "Allocated Capacity" every month and further exceed the LTR of Goderich TS. We would also like to point out that Sifto pays

considerable royalties to the Province and provides considerable employment to the Town as its largest employer. The requirements of Goderich Hydro and Sifto should be addressed at this time in conjunction with the proposed infrastructure improvements and we feel that both can be accomplished easily.

We further advise that the current location of Goderich Hydro's infrastructure at the site would also have to be addressed. We have received correspondence at the Municipality from Landscape Architects and Environmental Services Branch of Hydro One to address any zoning or by-law issues of the Municipality. This correspondence will be replied to in due course.

We can confirm that the proposed Hydro One infrastructure changes will result in changes to Goderich Hydro's infrastructure, some of which are; underground cables, relocating a dip pole and two additional poles and the meter point. Goderich Hydro will work with Hydro One to ensure that all reasonable timelines are met; please note that additional costs will be incurred to facilitate your timeline.

To meet our immediate needs, we, , offer a solution that we feel will accomplished both the short term and long term for everyone; simply provide additional breaker positions for Goderich Hydro from the new Transformer and relinquish breaker position on transformer T3 for the future space requirements. This will increase our capacity to supply the salt mine with a dedicated feeder and will release load off the old Transformers thus freeing up a feeder position. Goderich Hydro therefore is requesting immediate consideration by Hydro One, to review the current requirements of all the parties. We feel that if Hydro One was to provide the new breakers at the TS then this would address Goderich Hydro's current and future requirements while ensuring that Hydro One would meet there objectives to facilitate renewable energy through both FIT and MicroFit. We should also point out that this will ensure that there is capacity for Hydro One Networks.

It is our understanding finally, that if the existing transformer were used for the renewable energy and the new transformer for Goderich Hydro and its customer's including Sifto Canada Inc., that this alternative may accomplish both objectives current and future, combined with the allocation of a transformer at a future date. We request meeting, as soon as possible, with the planners that have decided this course of action so that we can come up with a mutually beneficial arrangement.

Respectfully submitted on behalf of West Coast Huron Energy Inc. (Goderich Hydro),

Yours truly,

Larry J. McCabe
President

Bob Cornish
Chair

Cc; Brad Colden

Hydro One Networks Inc.
850 Pond Mills Road
London, ON, N5Z 4R2

Tel: (519) 671-3233
E-mail: alex.urbanowicz@hydroone.com

June 22, 2011
Larry McCabe- President
West Coast Huron Energy Inc.
57 West St.
Goderich, On.
N7A 2K5

Subject: Goderich TS- Plans and Power Supply

Dear Larry;

Thank you for your letter dated June 14, 2011. Please be assured that the Goderich TS and supply matters have the attention of Hydro One's senior management.

I can understand West Coast Huron's (Goderich's) concern and anguish that the announcement of the new additional 50/83 MVA transformer, to accommodate the existing wind farm connection and future FIT projects, did not take into consideration the load growth demands associated with the Sifto Salt mine.

From a Regulatory perspective, Hydro One is determining if it is possible to provide up to two breaker positions from this transformer to accommodate Goderich's load requirements. In the event that this is possible, a Capital Cost Recovery Agreement (CCRA) will be prepared within two weeks and presented to Goderich for signature.

As has been explained, the calculation to determine Goderich's capital contribution will take into consideration a revenue stream from Goderich's load growth forecast. Goderich provided and earlier forecast and at this time it needs to be reaffirmed in anticipation of the CCRA. Please review and confirm Goderich's 25 year load forecast. It will be used in a discount cash flow calculation for the capital contribution.

I will arrange our next meeting to review the planning considerations. Meantime if there are any questions, please do not hesitate to contact me.

Yours truly,

Alex Urbanowicz

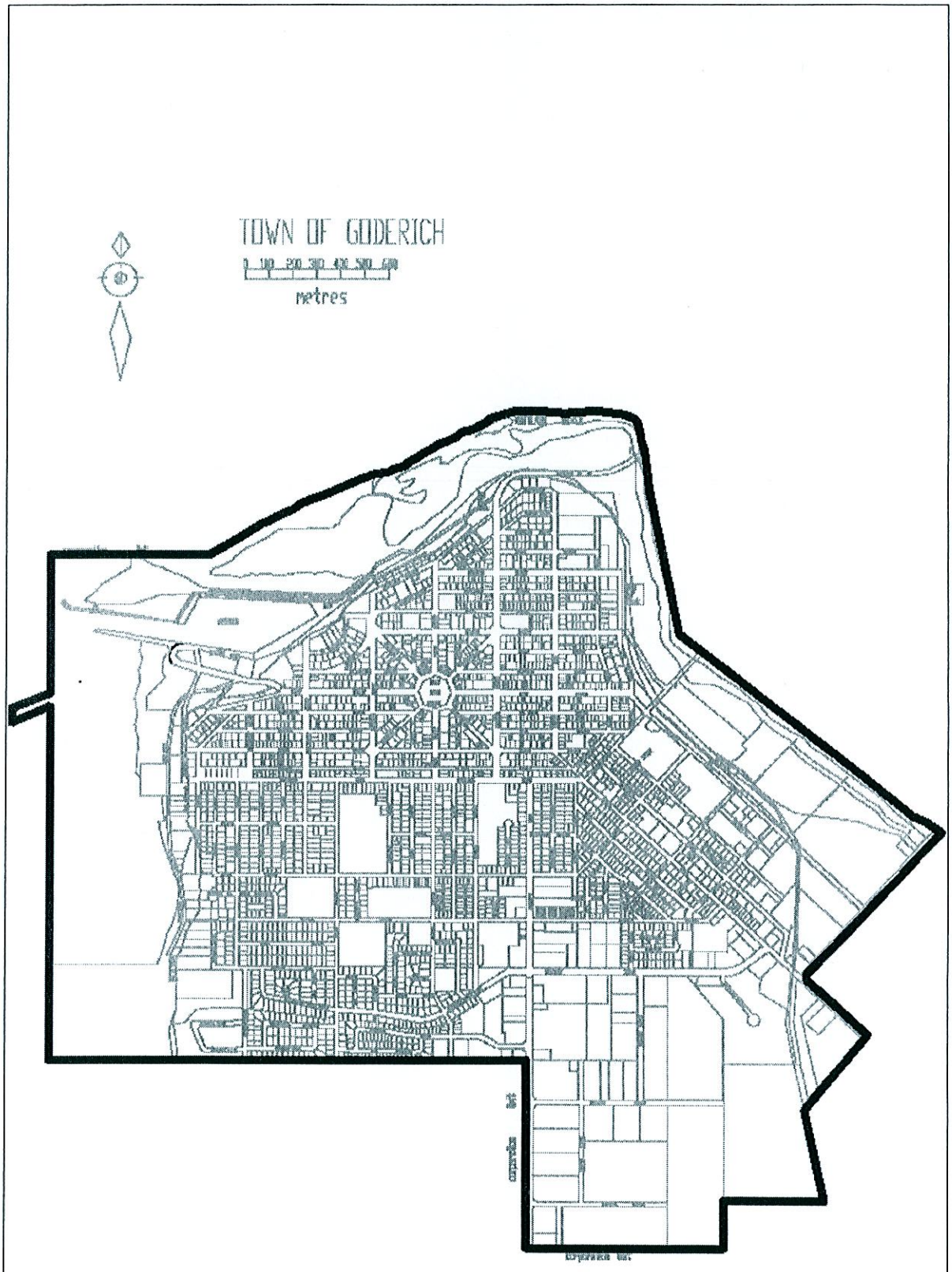
Alex Urbanowicz, P.Eng.
Account Executive
Customer Business Relations
C.C. Bob Cornish -Board Chair

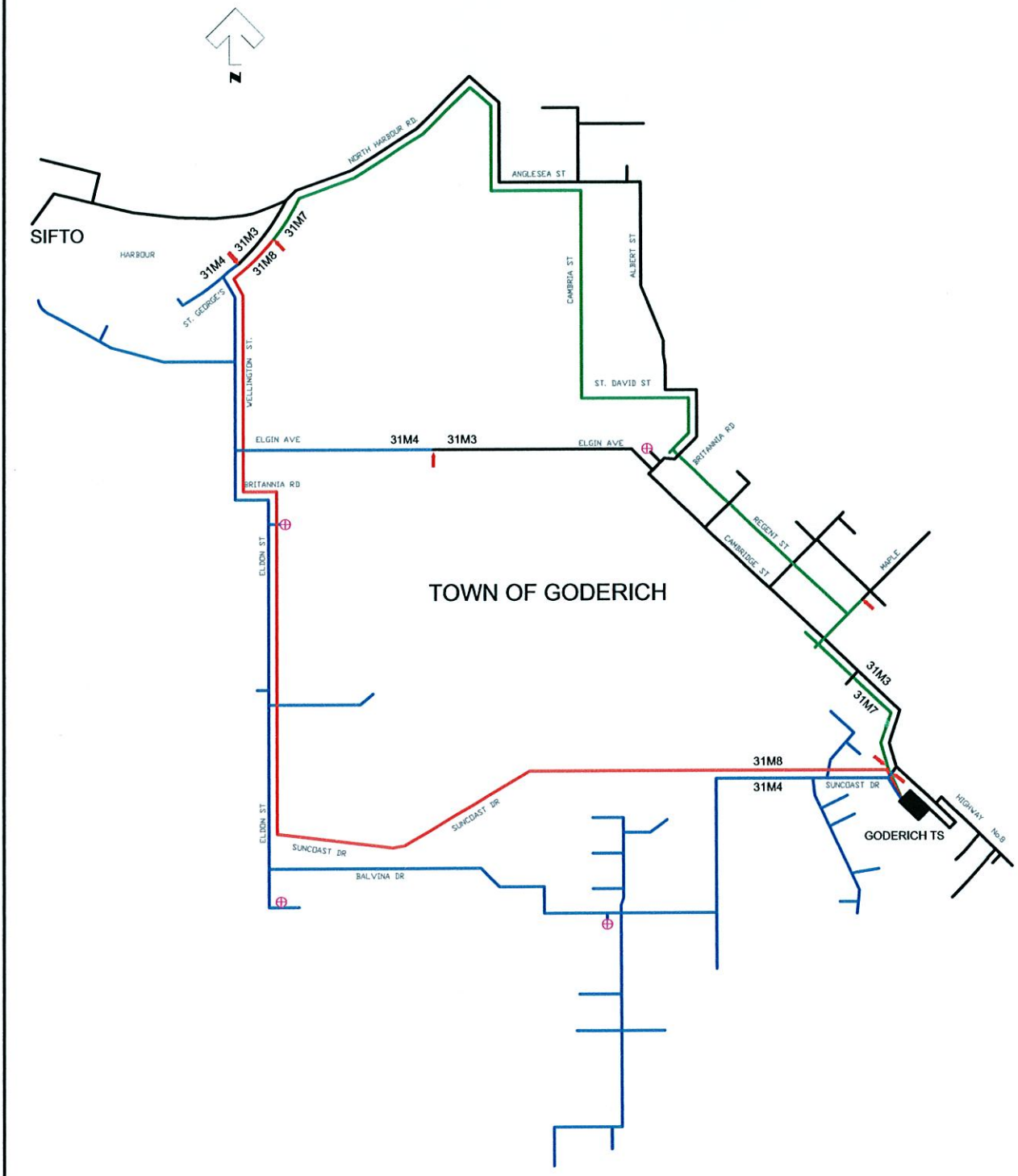
Brad Colden –Manager Customer Business Relations

Appendix E

Map of the Town of Goderich

Proposed Map of Distribution System on Completion of New Feeders


TOWN OF GODERICH
0 100 200 300 400 500 600
metres



31M3
31M4
31M7
31M8

GODERICH HYDRO
WEST COAST HURON ENERGY INC
64 WEST ST, GODERICH, ONTARIO, N7A 2K4
PH: (519) 524-7371 FX: (519) 524-7930

TITLE	GODERICH TS
DESCRIPTION	M3 M4 M7 M8 FEEDERS
DRAWING NO.	9820-GDE-FEEDERS MAP-R00.DWG
DATE: JUNE 27/11	DRAWN BY: MG
CHECKED BY:	
SCALE: NTS	PAGE:
WORK ORDER: -	
REVISION: 00	REV_DESCRIPTION: PLANNING

REV 4

Appendix 2 of 2

Appendix B - Amended Third Party Review LRAM Report

Suite 600, 34 King Street East
Toronto, Ontario M5C 2X8
Fax: (416) 348-9930
web: elenchus.ca & cerise.info

Martin Benum
Tel: (416) 640-0929
mbenum@elenchus.ca

November 16, 2011

Wally Curry
Director of Strategic Relationships
West Coast Huron Energy Inc.
57 West Street
Goderich, ON
N7A 2K5

Re: 2006 to 2012 LRAM Report -Updated for Final 2010 CDM Detailed Results

Dear Mr. Curry:

Elenchus is pleased to attach the 2006 to 2012 LRAM Report For West Coast Huron Energy Inc. for inclusion in your 2012 IRM3 Rate Application. This report is update to reflect the Final 2010 CDM Detailed Results issued by the Ontario Power Authority on November 15, 2011.

Elenchus concludes that West Coast Huron Energy Inc.'s electricity rates should be adjusted to reflect an LRAM claim of $117,866.43. This report replaces Elenchus' original report findings of $117,811.78 prepared September 28, 2011.

Thank you for allowing Elenchus to be of service. Please contact me should you have any questions about this report.

Yours Truly,

Martin Benum
Senior Consultant

2006 to 2012 LRAM REPORT -UPDATED FOR FINAL 2010 CDM DETAILED RESULTS

Prepared on: November 16, 2011

Prepared for:

West Coast Huron Energy Inc.
57 West Street
Goderich, ON
N7A 2K5

This document was prepared for West Coast Huron Energy Inc.

by Elenchus Research Associates Inc.

For additional information regarding this document please contact:

Elenchus Research Associates Inc.

34 King Street East, Suite 600

Toronto, Ontario

M5C 2X8

Tel: 416 532-4333

November 16, 2011

Exhibit 1

LRAM REPORT

Exhibit 1

Tab 1 of 3

Report

Report Contents

Executive Review

The Ontario Energy Board (OEB) Guidelines for Electricity Distributor Conservation and Demand Management (EB-2008-0037) permit West Coast Huron Energy Inc. to make application for recovery of lost revenue that results from the successful operation of CDM initiatives within its boundaries. A third-party review of that recovery claim is required and is the subject of this report.

Elenchus Research Associates Inc. (Elenchus) acted as the third party reviewer. Personnel details can be found in Tab 3 Schedule 1.

The third party review included West Coast Huron Energy Inc.'s CDM activities from 2006 through 2010, consisting of programs initiated by the Ontario Power Authority (OPA) only. There is no claim for activity related to 2005 to 2009 Third Tranche of Market Adjustment Revenue Requirement (MARR) funding or post-Third Tranche funding.

The LRAM claim, correspondingly, includes energy and demand savings that result from those 2006 – 2010 programs, some of which continue through to the end of the filing period, which is April 30, 2012.

There has been no previous LRAM application by West Coast Huron Energy Inc.

Total net energy savings for which LRAM is being claimed amount to over 4.4 GWh in the residential rate class and 5.7 GWh in the GS < 50 kW rate class. Summer peak demand savings in the GS 50 to 499 kW rate class totaled approximately 4.2 MW.

Elenchus concludes that West Coast Huron Energy Inc.'s electricity rates should be adjusted to reflect an LRAM claim of $ $117,866.43

Introduction

The Lost Revenue Adjustment Mechanism (LRAM) is designed to ensure that Local Distribution Companies (LDC) "remain whole" despite the lower consumption levels that are, by design, the result of successful conservation and demand management initiatives. There should not be a disincentive for LDC's to encourage energy efficiency and energy conservation efforts. Therefore, an LDC is compensated for these lost revenues.

This claim for lost revenue (LRAM) respects the process outlined in the March 28, 2008 OEB Guidelines for Electricity Distributor Conservation and Demand Management EB-2008-0037) ("CDM Guidelines") for rate-based applications to recover revenues lost to customer energy conservation.

The LRAM calculation is based on the sum of the electricity savings over the period of the claim, which are then valued at the appropriate distribution rate depending on the timing (year) of the savings and to which rate class they belonged.

The savings themselves are the product of an energy program evaluation process, often referred to as Evaluation, Measurement and Verification (EM&V). Fortunately, in the case of this claim, all savings estimates are for OPA programs and are provided by the OPA.

These savings estimates include persistence—the installation of energy conservation measures whose savings that last past the initial year that they are installed. A four-year program that installed 10 widgets per year with a savings of 1,000 kWh each would result in the following savings profile if the widgets lasted 4 or more years (which is common):

Example Savings Profile Showing Effect of Persistence

Year	In-Year Savings (kWh)	Cumulative Savings (kWh)
1	10,000	10,000
2	20,000	30,000
3	30,000	60,000
4	40,000	100,000

The OPA designed and delivered some initial programs in 2006 and 2007, but then set-out to build a portfolio of programs to address a broad cross-section of customer types that

would run from 2008 to 2010. This latter time frame corresponds to an Ontario goal of shaving 1,350 MW from the electricity system in the province. Savings from these programs typically follow a pattern similar to the one illustrated in the table above. Energy program evaluations determine the energy and demand savings estimates to a reasonable degree of accuracy and also determine the persistence including patterns, or effective useful life (EUL) of new measures being installed and the remaining useful life (RUL) of measures being replaced. It is assumed that the tables provided to each LDC, West Coast Huron Energy Inc., by the OPA contain accurate interpretations and transcriptions of the results from those evaluations (available on the OPA Website).

There are "gross" savings and "net" savings for energy efficiency programs. OPA documentation details the differences between these two, and both are provided to LDC's by the OPA, but for the purposes of this LRAM claim only "net" savings are utilized. Net savings are determined to be those savings that would not have occurred unless the energy efficiency program was running. They are not natural conservation or savings that someone could claim would have occurred anyway. They do not include savings from "free riders."

Some energy efficiency programs are operated at a province-wide scale. These include some behavioural-based programs and some residential/consumer-orientated initiatives like discount coupons. In certain of these cases, savings are apportioned to LDC's by the OPA rather than an attempt made to track individual transactions (which is sometimes impossible).

The savings claimed by West Coast Huron Energy Inc. are therefore the net energy and demand savings that can be attributed to the programs and initiatives that operated in West Coast Huron Energy Inc. territory during the 2006-2010 period and as apportioned to West Coast Huron Energy Inc. by the OPA according to its established formulae.

Assumptions

This report for West Coast Huron Energy Inc. was created with the following assumptions that are often peculiar to the 2006-2010 period:

- "Consumer" kWh classified as the Residential rate class
- "Business" and/or "Industrial" kWh classified as General Service <50 kW because larger industrial projects were not yet part of the program mix by the end of 2010
- "Consumer" kW savings were omitted because they are immaterial
- Designated "business and industrial" kW classified as General Service>50 kW because it consists primarily of Demand Response initiatives utilized by large industrial participants

LRAM Recommendations

During the period of the LRAM claim, total net energy savings for which LRAM is being claimed amount to over 4.4 GWh in the residential rate class and 5.7 GWh in the GS < 50 kW rate class. Summer peak demand savings in the GS 50 to 499 kW rate class totaled approximately 4.2 MW.

Elenchus has concluded that West Coast Huron Energy Inc. can justifiably claim $ $117,866.43 in LRAM, allocated by rate class as shown in the table below.

Customer Class	Savings	LRAM
Residential	4.4 GWh	$57,077.33
General Service Less Than 50 kW	5.7 GWH	$54,841.48
General Service 50 to 499 kW	4.2 MW	$5,947.61
Total		**$117,866.43**

Works Sited and Referenced

1. OPA Estimated allocation of 2006-2010 provincial conservation results to Local Distribution Company service territories - update to December 2010 report November 15, 2011
    - 2006-2010 Final OPA CDM Results.West Coast Huron Energy Inc..xls
2. OEB Conservation and Demand Management Code for Electricity Distributors Issued: September 16, 2010

Exhibit 1

Tab 2 of 3

Tables

Input Tables OPA Results

1. Table One OPA Results Net kWh
2. Table Two OPA Results Net kWh Adjusted to April 30, 2012
3. Table Three OPA Results Net kW
4. Table Four OPA Results Net kW Adjusted to April 30, 2012

Table One - OPA Results Net kW

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	3,778	3,778	3,778	3,778	3,778	3,778	-	22,668
2	Cool & Hot Savings Rebate	Consumer	2006	Final	9,326	9,326	9,326	9,326	9,326	9,326	9,326	65,285
3	Every Kilowatt Counts	Consumer	2006	Final	241,998	241,998	241,998	241,998	31,201	31,201	31,201	1,061,597
6	Great Refrigerator Roundup	Consumer	2007	Final	-	67,731	67,731	67,731	67,731	67,369	67,007	405,300
7	Cool & Hot Savings Rebate	Consumer	2007	Final	-	14,165	14,165	14,165	14,165	14,165	13,493	84,318
8	Every Kilowatt Counts	Consumer	2007	Final	-	84,911	83,873	83,873	83,873	83,873	81,008	501,409
10	Summer Savings	Consumer	2007	Final	-	43,015	7,250	2,744	2,744	2,744	2,744	61,243
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	7,717	7,717	7,717	7,717	7,717	7,717	46,304
20	Great Refrigerator Roundup	Consumer	2008	Final	-	-	138,736	138,736	138,736	138,736	138,311	693,256
21	Cool Savings Rebate	Consumer	2008	Final	-	-	15,268	15,268	15,268	15,268	15,268	76,340
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	-	-	77,504	77,167	77,167	77,167	65,497	374,501
24	Summer Sweepstakes	Consumer	2008	Final	-	-	52,728	19,027	19,027	19,027	19,027	128,836
25	Electricity Retrofit Incentive	Business	2008	Final	-	-	33,828	33,828	33,828	33,828	33,828	169,139
27	High Performance New Construction	Business	2008	Final	-	-	449	449	449	449	449	2,247
35	Great Refrigerator Roundup	Consumer	2009	Final	-	-	-	101,186	101,186	101,186	100,476	404,034
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	18,799	18,799	18,799	18,732	75,129
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	-	-	-	32,689	31,332	31,332	31,330	126,683
39	Electricity Retrofit Incentive	Business	2009	Final	-	-	-	813,409	813,409	813,409	813,409	3,253,636
41	High Performance New Construction	Business	2009	Final	-	-	-	14,677	14,677	14,677	14,677	58,707
42	Power Savings Blitz	Business	2009	Final	-	-	-	269,482	269,482	269,482	269,482	1,077,928
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	12,770	-	-	-	12,770
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	121,568	-	-	-	121,568
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	2,322	-	-	-	2,322
53	Great Refrigerator Roundup	Consumer	2010	Final	-	-	-	-	52,179	52,179	52,179	156,536
54	Cool Savings Rebate	Consumer	2010	Final	-	-	-	-	15,576	15,576	15,576	46,729
55	Every Kilowatt Counts Power Savings Event	Consumer	2010	Final	-	-	-	-	12,417	10,914	10,566	33,897
57	Electricity Retrofit Incentive	Business	2010	Final	-	-	-	-	93,415	93,415	93,415	280,245
59	High Performance New Construction	Business	2010	Final	-	-	-	-	42,573	42,573	42,573	127,719
60	Power Savings Blitz	Business	2010	Final	-	-	-	-	136,378	136,378	136,378	409,133
61	Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2010	Final	-	-	-	-	2,581	2,581	2,581	7,742
62	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	201,197	-	-	201,197
63	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	7,131	-	-	7,131
					255,103	472,643	754,353	2,102,710	2,317,343	2,107,149	2,086,251	10,095,552

Table Two - OPA Results Net kWh Adjusted to April 30, 20

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012		Total
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	3,778	3,778	3,778	3,778	3,778	3,778	-		22,668
2	Cool & Hot Savings Rebate	Consumer	2006	Final	9,326	9,326	9,326	9,326	9,326	9,326	3,109		65,285
3	Every Kilowatt Counts	Consumer	2006	Final	241,998	241,998	241,998	241,998	31,201	31,201	10,400		1,061,597
6	Great Refrigerator Roundup	Consumer	2007	Final	-	67,731	67,731	67,731	67,731	67,369	22,336		405,300
7	Cool & Hot Savings Rebate	Consumer	2007	Final	-	14,165	14,165	14,165	14,165	14,165	4,498		84,318
8	Every Kilowatt Counts	Consumer	2007	Final	-	84,911	83,873	83,873	83,873	83,873	27,003		501,409
10	Summer Savings	Consumer	2007	Final	-	43,015	7,250	2,744	2,744	2,744	915		61,243
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	7,717	7,717	7,717	7,717	7,717	2,572		46,304
20	Great Refrigerator Roundup	Consumer	2008	Final	-	-	138,736	138,736	138,736	138,736	46,104		693,256
21	Cool Savings Rebate	Consumer	2008	Final	-	-	15,268	15,268	15,268	15,268	5,089		76,340
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	-	-	77,504	77,167	77,167	77,167	21,832		374,501
24	Summer Sweepstakes	Consumer	2008	Final	-	-	52,728	19,027	19,027	19,027	6,342		128,836
25	Electricity Retrofit Incentive	Business	2008	Final	-	-	33,828	33,828	33,828	33,828	11,276		169,139
27	High Performance New Construction	Business	2008	Final	-	-	449	449	449	449	150		2,247
35	Great Refrigerator Roundup	Consumer	2009	Final	-	-	-	101,186	101,186	101,186	33,492		404,034
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	18,799	18,799	18,799	6,244		75,129
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	-	-	-	32,689	31,332	31,332	10,443		126,683
39	Electricity Retrofit Incentive	Business	2009	Final	-	-	-	813,409	813,409	813,409	271,136		3,253,636
41	High Performance New Construction	Business	2009	Final	-	-	-	14,677	14,677	14,677	4,892		58,707
42	Power Savings Blitz	Business	2009	Final	-	-	-	269,482	269,482	269,482	89,827		1,077,928
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	12,770	-	-	-		12,770
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	121,568	-	-	-		121,568
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	2,322	-	-	-		2,322
53	Great Refrigerator Roundup	Consumer	2010	Final	-	-	-	-	52,179	52,179	17,393		156,536
54	Cool Savings Rebate	Consumer	2010	Final	-	-	-	-	15,576	15,576	5,192		46,729
55	Every Kilowatt Counts Power Savings Event	Consumer	2010	Final	-	-	-	-	12,417	10,914	3,522		33,897
57	Electricity Retrofit Incentive	Business	2010	Final	-	-	-	-	93,415	93,415	31,138		280,245
59	High Performance New Construction	Business	2010	Final	-	-	-	-	42,573	42,573	14,191		127,719
60	Power Savings Blitz	Business	2010	Final	-	-	-	-	136,378	136,378	45,459		409,133
61	Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2010	Final	-	-	-	-	2,581	2,581	860		7,742
62	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	201,197	-	-		201,197
63	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	7,131	-	-		7,131
					255,103	472,643	754,353	2,102,710	2,317,343	2,107,149	695,417		10,095,552

Table Three - OPA Results Net

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigerat	Consumer	2006	Final	1	1	1	1	1	1	-	5
2	Cool & Hot Savings R	Consumer	2006	Final	9	9	9	9	9	9	9	61
3	Every Kilowatt Count	Consumer	2006	Final	3	3	3	3	3	3	3	20
4	Demand Response 1	Business, Industrial	2006	Final	405	-	-	-	-	-	-	405
5	Loblaw & York Regio	Business, Industrial	2006	Final	20	-	-	-	-	-	-	20
6	Great Refrigerator R	Consumer	2007	Final	-	9	9	9	9	8	8	53
7	Cool & Hot Savings R	Consumer	2007	Final	-	9	9	9	9	9	9	56
8	Every Kilowatt Count	Consumer	2007	Final	-	3	3	3	3	3	3	18
10	Summer Savings	Consumer	2007	Final	-	24	7	3	3	3	3	45
13	Social Housing Pilot	Consumer Low-Inco	2007	Final	-	1	1	1	1	1	1	5
17	Demand Response 1	Business, Industrial	2007	Final	-	453	-	-	-	-	-	453
18	Loblaw & York Regio	Business, Industrial	2007	Final	-	38	-	-	-	-	-	38
20	Great Refrigerator R	Consumer	2008	Final	-	-	15	15	15	15	14	76
21	Cool Savings Rebate	Consumer	2008	Final	-	-	10	10	10	10	10	48
22	Every Kilowatt Count	Consumer	2008	Final	-	-	4	4	4	4	4	20
24	Summer Sweepstake	Consumer	2008	Final	-	-	13	8	8	8	8	44
25	Electricity Retrofit In	Business	2008	Final	-	-	7	7	7	7	7	33
27	High Performance N	Business	2008	Final	-	-	1	1	1	1	1	3
29	Demand Response 1	Business, Industrial	2008	Final	-	-	688	-	-	-	-	688
30	Demand Response 3	Business, Industrial	2008	Final	-	-	133	-	-	-	-	133
31	Loblaw & York Regio	Business, Industrial	2008	Final	-	-	46	-	-	-	-	46
35	Great Refrigerator R	Consumer	2009	Final	-	-	-	16	16	16	15	61
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	12	12	12	12	49
37	Every Kilowatt Count	Consumer	2009	Final	-	-	-	3	3	3	3	13
39	Electricity Retrofit In	Business	2009	Final	-	-	-	121	121	121	121	483
41	High Performance N	Business	2009	Final	-	-	-	6	6	6	6	26
42	Power Savings Blitz	Business	2009	Final	-	-	-	69	69	69	69	276
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	291	-	-	-	291
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	197	-	-	-	197
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	282	-	-	-	282
47	Loblaw & York Regio	Business, Industrial	2009	Final	-	-	-	48	-	-	-	48
53	Great Refrigerator R	Consumer	2010	Final	-	-	-	-	8	8	8	25
54	Cool Savings Rebate	Consumer	2010	Final	-	-	-	-	9	9	9	28
55	Every Kilowatt Count	Consumer	2010	Final	-	-	-	-	1	1	1	3
57	Electricity Retrofit In	Business	2010	Final	-	-	-	-	17	17	17	50
59	High Performance N	Business	2010	Final	-	-	-	-	19	19	19	56
60	Power Savings Blitz	Business	2010	Final	-	-	-	-	44	44	44	133
61	Multi-Family Energy	Consumer, Consume	2010	Final	-	-	-	-	0	0	0	1
62	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	172	-	-	172
63	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	364	-	-	364
64	Loblaw & York Regio	Business, Industrial	2010	Final	-	-	-	-	42	-	-	42
					437	551	959	1,128	987	407	403	4,871

Table Four - OPA Results Net kW Adjusted to April 30, 20

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigerat	Consumer	2006	Final	1	1	1	1	1	1	-	5
2	Cool & Hot Savings R	Consumer	2006	Final	9	9	9	9	9	9	3	61
3	Every Kilowatt Count	Consumer	2006	Final	3	3	3	3	3	3	1	20
4	Demand Response 1	Business, Industrial	2006	Final	405	-	-	-	-	-	-	405
5	Loblaw & York Regio	Business, Industrial	2006	Final	20	-	-	-	-	-	-	20
6	Great Refrigerator R	Consumer	2007	Final	-	9	9	9	9	8	3	53
7	Cool & Hot Savings R	Consumer	2007	Final	-	9	9	9	9	9	3	56
8	Every Kilowatt Count	Consumer	2007	Final	-	3	3	3	3	3	1	18
10	Summer Savings	Consumer	2007	Final	-	24	7	3	3	3	1	45
13	Social Housing Pilot	Consumer Low-Inco	2007	Final	-	1	1	1	1	1	0	5
17	Demand Response 1	Business, Industrial	2007	Final	-	453	-	-	-	-	-	453
18	Loblaw & York Regio	Business, Industrial	2007	Final	-	38	-	-	-	-	-	38
20	Great Refrigerator R	Consumer	2008	Final	-	-	15	15	15	15	5	76
21	Cool Savings Rebate	Consumer	2008	Final	-	-	10	10	10	10	3	48
22	Every Kilowatt Count	Consumer	2008	Final	-	-	4	4	4	4	1	20
24	Summer Sweepstake	Consumer	2008	Final	-	-	13	8	8	8	3	44
25	Electricity Retrofit In	Business	2008	Final	-	-	7	7	7	7	2	33
27	High Performance N	Business	2008	Final	-	-	1	1	1	1	0	3
29	Demand Response 1	Business, Industrial	2008	Final	-	-	688	-	-	-	-	688
30	Demand Response 3	Business, Industrial	2008	Final	-	-	133	-	-	-	-	133
31	Loblaw & York Regio	Business, Industrial	2008	Final	-	-	46	-	-	-	-	46
35	Great Refrigerator R	Consumer	2009	Final	-	-	-	16	16	16	5	61
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	12	12	12	4	49
37	Every Kilowatt Count	Consumer	2009	Final	-	-	-	3	3	3	1	13
39	Electricity Retrofit In	Business	2009	Final	-	-	-	121	121	121	40	483
41	High Performance N	Business	2009	Final	-	-	-	6	6	6	2	26
42	Power Savings Blitz	Business	2009	Final	-	-	-	69	69	69	23	276
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	291	-	-	-	291
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	197	-	-	-	197
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	282	-	-	-	282
47	Loblaw & York Regio	Business, Industrial	2009	Final	-	-	-	48	-	-	-	48
53	Great Refrigerator R	Consumer	2010	Final	-	-	-	-	8	8	3	25
54	Cool Savings Rebate	Consumer	2010	Final	-	-	-	-	9	9	3	28
55	Every Kilowatt Count	Consumer	2010	Final	-	-	-	-	1	1	0	3
57	Electricity Retrofit In	Business	2010	Final	-	-	-	-	17	17	6	50
59	High Performance N	Business	2010	Final	-	-	-	-	19	19	6	56
60	Power Savings Blitz	Business	2010	Final	-	-	-	-	44	44	15	133
61	Multi-Family Energy	Consumer, Consume	2010	Final	-	-	-	-	0	0	0	1
62	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	172	-	-	172
63	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	364	-	-	364
64	Loblaw & York Regio	Business, Industrial	2010	Final	-	-	-	-	42	-	-	42
					437	551	959	1,128	987	407	134	4,871

Output Tables LRAM Calculations

1. Table Five Residential LRAM Calculation
2. Table Six GS Less Than 50 kW LRAM Calculation
3. Table Seven GS 50 to 4,999 kW LRAM Calculation

Table Five - Residential LRAM Calculati

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	3,778	3,778	3,778	3,778	3,778	3,778	-	22,668
2	Cool & Hot Savings Rebate	Consumer	2006	Final	9,326	9,326	9,326	9,326	9,326	9,326	3,109	65,285
3	Every Kilowatt Counts	Consumer	2006	Final	241,998	241,998	241,998	241,998	31,201	31,201	10,400	1,061,597
6	Great Refrigerator Roundup	Consumer	2007	Final	-	67,731	67,731	67,731	67,731	67,369	22,336	405,300
7	Cool & Hot Savings Rebate	Consumer	2007	Final	-	14,165	14,165	14,165	14,165	14,165	4,498	84,318
8	Every Kilowatt Counts	Consumer	2007	Final	-	84,911	83,873	83,873	83,873	83,873	27,003	501,409
10	Summer Savings	Consumer	2007	Final	-	43,015	7,250	2,744	2,744	2,744	915	61,243
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	7,717	7,717	7,717	7,717	7,717	2,572	46,304
20	Great Refrigerator Roundup	Consumer	2008	Final	-	-	138,736	138,736	138,736	138,736	46,104	693,256
21	Cool Savings Rebate	Consumer	2008	Final	-	-	15,268	15,268	15,268	15,268	5,089	76,340
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	-	-	77,504	77,167	77,167	77,167	21,832	374,501
24	Summer Sweepstakes	Consumer	2008	Final	-	-	52,728	19,027	19,027	19,027	6,342	128,836
35	Great Refrigerator Roundup	Consumer	2009	Final	-	-	-	101,186	101,186	101,186	33,492	404,034
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	18,799	18,799	18,799	6,244	75,129
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	-	-	-	32,689	31,332	31,332	10,443	126,683
53	Great Refrigerator Roundup	Consumer	2010	Final	-	-	-	-	52,179	52,179	17,393	156,536
54	Cool Savings Rebate	Consumer	2010	Final	-	-	-	-	15,576	15,576	5,192	46,729
55	Every Kilowatt Counts Power Savings Event	Consumer	2010	Final	-	-	-	-	12,417	10,914	3,522	33,897
61	Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2010	Final	-	-	-	-	2,581	2,581	860	7,742
					255,103	472,643	720,075	834,205	704,804	702,938	227,347	4,371,808
	Residential Distribution Volumetric Rate	$/kWh			0.0083	0.0084	0.0084	0.0182	0.0182	0.0182	0.0182	
	LRAM				$ 2,117.35	$ 3,970.20	$ 6,048.63	$ 15,182.53	$ 12,827.43	$ 12,793.48	$ 4,137.71	$ 57,077.33

Table Six - GS Less Than 50 kW LRAM Calculati

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
25	Electricity Retrofit Incentive	Business	2008	Final	-	-	33,828	33,828	33,828	33,828	11,276	169,139
27	High Performance New Construction	Business	2008	Final	-	-	449	449	449	449	150	2,247
39	Electricity Retrofit Incentive	Business	2009	Final	-	-	-	813,409	813,409	813,409	271,136	3,253,636
41	High Performance New Construction	Business	2009	Final	-	-	-	14,677	14,677	14,677	4,892	58,707
42	Power Savings Blitz	Business	2009	Final	-	-	-	269,482	269,482	269,482	89,827	1,077,928
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	12,770	-	-	-	12,770
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	121,568	-	-	-	121,568
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	2,322	-	-	-	2,322
57	Electricity Retrofit Incentive	Business	2010	Final	-	-	-	-	93,415	93,415	31,138	280,245
59	High Performance New Construction	Business	2010	Final	-	-	-	-	42,573	42,573	14,191	127,719
60	Power Savings Blitz	Business	2010	Final	-	-	-	-	136,378	136,378	45,459	409,133
62	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	201,197	-	-	201,197
63	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	7,131	-	-	7,131
					-	-	34,277	1,268,505	1,612,539	1,404,211	468,070	5,723,743
	GSLT50 Distribution Volumetric Rate	$/kWh			0.0052	0.0052	0.0052	0.0115	0.0115	0.0115	0.0115	
	LRAM				$ -	$ -	$ 178.24	$ 14,587.81	$ 18,544.20	$ 16,148.42	$ 5,382.81	$ 54,841.48

Table Seven - GS 50 to 4,999 kW LRAM Calculati

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
4	Demand Response 1	Business, Industrial	2006	Final	405	-	-	-	-	-	-	405
5	Loblaw & York Region Demand Response	Business, Industrial	2006	Final	20	-	-	-	-	-	-	20
17	Demand Response 1	Business, Industrial	2007	Final	-	453	-	-	-	-	-	453
18	Loblaw & York Region Demand Response	Business, Industrial	2007	Final	-	38	-	-	-	-	-	38
25	Electricity Retrofit Incentive	Business	2008	Final	-	-	7	7	7	7	2	33
27	High Performance New Construction	Business	2008	Final	-	-	1	1	1	1	0	3
29	Demand Response 1	Business, Industrial	2008	Final	-	-	688	-	-	-	-	688
30	Demand Response 3	Business, Industrial	2008	Final	-	-	133	-	-	-	-	133
31	Loblaw & York Region Demand Response	Business, Industrial	2008	Final	-	-	46	-	-	-	-	46
39	Electricity Retrofit Incentive	Business	2009	Final	-	-	-	121	121	121	40	483
41	High Performance New Construction	Business	2009	Final	-	-	-	6	6	6	2	26
42	Power Savings Blitz	Business	2009	Final	-	-	-	69	69	69	23	276
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	291	-	-	-	291
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	197	-	-	-	197
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	282	-	-	-	282
47	Loblaw & York Region Demand Response	Business, Industrial	2009	Final	-	-	-	48	-	-	-	48
57	Electricity Retrofit Incentive	Business	2010	Final	-	-	-	-	17	17	6	50
59	High Performance New Construction	Business	2010	Final	-	-	-	-	19	19	6	56
60	Power Savings Blitz	Business	2010	Final	-	-	-	-	44	44	15	133
62	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	172	-	-	172
63	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	364	-	-	364
64	Loblaw & York Region Demand Response	Business, Industrial	2010	Final	-	-	-	-	42	-	-	42
					425	491	874	1,022	861	283	94	4,240
	GSGT50 Distribution Volumetric Rate	$/kWh			1.0547	1.0642	1.0695	1.7885	1.7876	1.7872	1.7872	
	LRAM				$ 447.91	$ 522.69	$ 935.07	$ 1,827.46	$ 1,540.00	$ 505.87	$ 168.62	$ 5,947.61

Exhibit 1

Tab 3 of 3

Elenchus Personnel

Elenchus Regulatory Solutions Consultants

John Todd, President (Lead Consultant)

John Todd is President of Elenchus Research Associates Inc. He has specialized in the theory and practice of regulation and de-regulation for over 25 years and has actively participated in regulatory hearings and reform initiatives in several sectors of the Canadian economy, including natural gas, electricity and telecommunications.

John has served as an expert advisor or witness in 200 proceedings before the energy Boards in Ontario, Manitoba, British Columbia, Quebec, and Newfoundland and other tribunals including the Canadian Radio-television and Telecommunications Commission (CRTC) and the Ontario Securities Commission. His clients have included regulated utilities, regulatory agencies, generators and producers, and a variety of customer groups.

Martin Benum, Senior Consultant (Rate Applications)

Martin has over twenty years progressive experience in the Ontario electrical industry with regulatory, LDC and Retail electricity exposure. Prior to joining Elenchus, he was an advisor in electricity rate applications with the Ontario Energy Board. He has a strong working knowledge and application experience with OEB handbook rules, regulations, and guidelines.

Marc Collins – Director, Elenchus Energy Conservation

Energy Program Evaluation and Conservation and Demand-Side Management (CDM) professional with a very diverse career history. Founding Director of the Evaluation, Measurement and Verification (EM&V) department at the Ontario Power Authority in 2007. Marc led that function for the OPA from inception to maturity, leaving sophisticated evaluation protocols (new for 2011-14), world-class measures and assumptions lists and a portfolio of high-quality evaluations to show for the effort.

Specialties:

Energy program evaluation (EM&V)

- Planning and management

- Protocols and standards
- Impact evaluation
- Process evaluation
- Market effects evaluation
- Cost effectiveness testing

Demand-side management programs

Demand response programs

Use of advanced IT for energy-related applications

Regulatory aspects of EM&V and DSM tracking and reporting for utilities and central agencies

Potential studies