



**PUBLIC INTEREST ADVOCACY CENTRE
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January 14, 2011

VIA MAIL and E-MAIL

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

Dear Ms. Walli:

**Re: Vulnerable Energy Consumers Coalition (VECC)
Submission of VECC Interrogatories EB-2011-0173
Hydro Hawkesbury Inc.**

Please find enclosed the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

cc: Hydro Hawkesbury Inc.
Ms. Michel Poulin

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
Hydro Hawkesbury 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)

INCREMENTAL CAPITAL / Z-FACTOR

VECC Question # 1

Reference: Exhibit 1, Tab 1, Schedule 5, Summary of Application, Page 3

Preamble: Hydro Hawkesbury requests the approval of rate riders to recover the cost (\$1.52 million) of replacing an existing 110 kV distribution transformer with a 25MVA transformer. Hydro Hawkesbury also requests the approval to recover amounts through rates related to a z-factor. The funding request of \$713,000 is required to replace a faulty 44 kV distribution transformer.

- a) Please provide a Capital Spending Schedule that sets out, on a comparative basis, 2010 actual, approved 2010 (EB-2009-0186), 2011 actual and the proposed spending for 2012, using spending categories from EB-2009-0186.
- b) Please provide explanations for any categories where the variance between the 2010 approved and 2010 actual, 2011 actual and the 2012 budget spending exceeds plus/minus 10%.
- c) Please provide an explanation as to why the budgeted level of spending is required in 2012 and quantify any discretionary expenditures.

VECC Question # 2

Reference: Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors, September 17, 2008, Eligibility Criteria, Appendix B: Amended Filing Guidelines, Page VII

Preamble: The Board's Report specifies that Z-factors are events that are not within

management's control.

- a) Please discuss why Hydro Hawkesbury believes the replacement of the 44 kV distribution transformer is an event not within management's control.

VECC Question # 3

Reference: Exhibit 1, Tab 1, Schedule 3, Page 12

Preamble: Hydro Hawkesbury proposes recovery of the Z-Factor amount through a fixed and distribution volumetric rate rider, expiring April 30, 2022. (Proposed rider over a period of 10 years)

- a) Please provide the rationale for this option.
- b) Please confirm the design of the ICM rate rider and the rationale for this option.

LOST REVENUE ADJUSTMENT MECHANISM (LRAM)

VECC Question # 4

Reference: Exhibit 1, LRAM Report

Preamble: Hydro Hawkesbury seeks an LRAM claim of \$49,918.88.

- a) Please confirm the scope of the LRAM claim.
- b) Please provide a summary of prior LRAM claims.
- c) Please confirm that the LRAM amounts Hydro Hawkesbury is seeking to recover in this application are new amounts not included in past LRAM claims.
- d) When was Hydro Hawkesbury's load forecast last approved by the Board? Please discuss how any CDM savings have been accounted for in Hydro Hawkesbury's approved load forecast.

VECC Question # 5

Reference: Exhibit 1, LRAM Report

- a) Please provide the following details for each CDM Program by year that adds 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.

- b) List and confirm OPA's input assumptions for Every Kilowatt Counts (EKC) 2006 to 2010 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.
- 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.
- d) Adjust the LRAM claim as necessary to reflect the measure lives and unit savings for any/all measures that have expired.

VECC Question # 6

Reference: Exhibit 1, LRAM Report

Preamble: Elenchus used the OPA Final 2010 CDM Summary Results September 16, 2011 (2010 Final CDM Results Summary_Hydro Hawkesbury Inc..xlsx) to calculate lost revenue from 2010 CDM programs.

- a) Please confirm that the above OPA results include input assumptions and free ridership rates for 2010 programs.
- b) If not, when does Hydro Hawkesbury expect to receive 2010 Final OPA CDM Results with these details.
- c) How will these results impact the LRAM claim?