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ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

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

Michael Buonaguro
Counsel for VECC
(416) 767-1666

January 17, 2012

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-2011-0178
Kingston Hydro Corporation

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: Kingston Hydro Corporation
Mr. Randy Murphy

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
Kingston Hydro Corporation 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

VECC Question # 1

Reference #1: Exhibit 6, Page 1, Table 1: Incremental Capital Project Expenditures

Reference #2: Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, June 22, 2011, Pages 9-13

Preamble: At Reference #1, Kingston Hydro proposes four 2012 incremental capital projects totaling \$3.5 million.

- a) Please provide a summary of the timing of the proposed incremental capital expenditures.
- b) Please discuss if the expenditure levels could trigger a further application before the end of the IRM term.
- c) Please confirm that the costs being sought are outside of the base upon which current rates are derived.
- d) Please confirm that the incremental revenue will not be recovered through other means. If revenue will be generated through other means, please provide the associated revenue requirement offsets.
- e) Please provide a description of the actions the distributor will take in the event the Board does not approve the application.
- f) For each proposed project, please discuss the alternative options Kingston Hydro considered during its analysis and decision making process to decide to undertake the investment in 2012. Please provide any relevant details on the design, associated costs and proposed in-service dates for alternatives that were

considered.

- g) The June 22, 2011 ICM Filing Guidelines (Page 12) indicates that a distributor should demonstrate that the proposed non-discretionary projects are unusual and unanticipated. Kingston Hydro's last Cost of Service application was in 2011. Please discuss the need and planning horizon for these projects in the context of the proposed capital spending in Kingston Hydro's recent COS application.

VECC Question # 2

Reference: Exhibit 7, Page 2, Table 1: Capital Project Expenditures

Preamble: Table 1 provides a list of projects included in the 2012 Electric Capital Plan totaling \$2,525,000.

- a) Please segregate the discretionary and non-discretionary projects.

VECC Question # 3

Reference: Exhibit 6

Preamble: For each of the four proposed incremental capital projects, a high level cost breakdown is provided.

- b) Please provide a further breakdown of the Labour and Vehicles and Material and Contract costs. Account for any contingency factors.

VECC Question # 4

Reference: Exhibit 1, Tab 2, Page 9

Preamble: Kingston proposes to recover the incremental revenue requirement of \$268,458 under Option A, whereby the revenue requirement is recovered through fixed rate riders and volumetric rate riders.

- a) Please provide the rationale for using Option A.

LOST REVENUE ADJUSTMENT MECHANISM (LRAM)

VECC Question # 5

Reference: Exhibit 9

Preamble: As part of its application for 2012 rates, Kingston Hydro requests \$175,754 in

LRAM relief for revenues lost in 2010.

- a) Please provide a complete summary of prior LRAM claims.
- b) Please confirm that the LRAM amounts Woodstock is seeking to recover in this application are for new amounts not included in past LRAM recoveries.
- c) Please provide the source of the carrying charge rates used.

VECC Question # 6

Reference: Exhibit 9

Preamble: On Page 2, the evidence indicates that Kingston Hydro has prepared its LRAM application in accordance with the CDM Guidelines and most recently published OPA Assumptions List. Final OPA verification for the conservation results will be released in Q4 2011, and should they differ from the amounts approved herein, an adjustment shall be filed at that time as per OPA and OEB instructions.

- a) Please provide a list of all CDM programs by year and indicate the funding source (OPA, Third Tranche, etc.), rate class, and source and date of the input assumptions used in the LRAM calculation.
- b) If Final OPA verification results are available, please update the LRAM claim accordingly.
- c) Please provide the following details for each CDM Program by year at the measure level that adds to the data shown in Table 1 on Page 3: # units, unit and total kWh energy savings, lifetime, and free ridership rate. Reconcile to the lost revenues shown in Table 1 on Page 3.
- d) List and confirm OPA's input assumptions for Every Kilowatt Counts (EKC) 2006 including the measure life, unit kWh savings and free ridership for Compact 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.
- e) Demonstrate that savings for EKC 2006 Mass Market measures 13-15 W Energy Star CFLs & Seasonal LEDs have been removed from the LRAM claim in 2010.
- f) Adjust the LRAM claim as necessary to reflect the measure lives and energy savings for any/all measures that have expired in 2010.