IN THE MATTER OF the Ontario Energy Board Act, 1998, being Schedule B to the Energy Competition Act, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by Norfolk Power Distribution Inc. to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of May 1, 2013.

NORFOLK POWER DISTRIBUTION INC ("Norfolk") APPLICATION FOR APPROVAL OF 2013 ELECTRICITY DISTRIBUTION RATES EB-2012-0151

RESPONSE TO VECC INTERROGATORIES

VECC Question # 1

Reference: Application, Page 6

Preamble: The evidence states "In 2011 there were no CDM program activities included in the load forecast underpinning Norfolk's rates."

a) Please explain this statement more fully.

b) Please confirm when Norfolk's load forecast was last approved by the Board - prior to 2012.

c) Please explain how CDM was reflected in the last approved load forecast prior to 2012.

Response:

a) There was no adjustment for CDM in Norfolk's load forecast underlying the 2011 rates. The load forecast underpinning Norfolk's 2011 rates was based on the load forecast approved in Norfolk's 2008 cost of service application. As per EB-2007-0753, Exhibit: 3, Tab: 2, Schedule: 1, Page: 1 states "As required by the OEB Filing Requirements for Transmission and Distribution Applications, we are providing normalized historical and forecast (Bridge Year and Test Year) throughput data. Weather normalization (where required) is based on normalized average use per customer ("NAC") calculated from the weather-normalized throughput of the utility from 2004. This weather-normalized throughput was generated by Hydro One using its weather normalization model for the Cost Allocation process previously undertaken by the Board."

   The Board approved the 2008 load forecast based on the methodology outlined in the 2008 application. Since the approved 2008 load forecast was determined on a 2004 NAC basis there were no CDM program activities included in the 2008 load forecast.

b) The most recent approved load forecast is from 2008.

c) There was no adjustment for CDM in Norfolk Hydro's last approved forecast prior to 2012, as elaborated upon in a) above.

VECC Question # 2

Reference: Application, Page 9

Preamble: Norfolk seeks recovery of $95,375 (including $2,669 in carrying charges) for LRAM amounts related to 2011 lost revenues persisting from CDM activities between January 1 2005 and December 31 2010 and a recovery of $15,691 (including $439 in carrying charges) for LRAMVA amounts related to lost revenue from 2011 CDM activities between January 1 2011 and December 31 2011.

a) Please confirm the date the OPA released Norfolk's Final OPA CDM Results for 2011.
b) Please provide a copy of the OPA's final 2011 CDM results for Norfolk.
c) Please explain why Norfolk deems the balance in the LRAMVA as significant for disposition.

Response:

a) Norfolk Power received the 2011 results on September 4th, 2012. A request was made for detailed results by measure, and this was received on September 17th, 2012.
b) Two spreadsheets are attached with the results: "2011 Final Annual Report Data_Norfolk Power distribution Inc..xlsx" and "Measure_Data_Norfolk.xlsx"
c) Norfolk Power believes it is appropriate to claim adjustments for lost revenue on a timely basis. As a separate claim was being made in any event for lost revenues associated with 2005 to 2010 programs, Norfolk believes it is prudent to also clear the LRAMVA account at this time, making it significant to Norfolk.

VECC Question # 3

Reference: Appendix D, LRAM Third Party Review

a) 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.

b) 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.

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

d) Identify mass market measures (CFLs, LEDs) installed in 2005 and 2006 with measure lives of 4 years or less for which savings have been claimed in a prior claim.

e) Adjust the LRAM claim as necessary to reflect the mass market measure lives and unit savings for any/all measures that have expired beginning in 2009.

Response:

a) The table below shows technology characteristics for compact fluorescent bulbs (CFLs) and Seasonal LEDs (SLEDs) delivered through the Every Kilowatt Counts (EKC) program of the OPA since 2006, and used in the Norfolk Power lost revenue calculations. The table shows different values for different specific bulb types and years. For the typical 15W CFL, the energy savings reported are 104.4, 43, 23.17 and 25.5 kWh/a for 2006, 2007, 2008 and 2009 respectively. For SLEDs, the energy savings reported are 30.74 for 2006 and 13.7 kWh/a for 2007 and 2009. Free rider rates vary by bulb type and year. The table shows that the energy efficiency technology life also changes by year and bulb type. Norfolk Power confirms it used the values in the table below, which are from the OPA's final evaluations for the programs.

Technology input values for CFLs and SLEDs to the EKC program, years 2006 to 2010

Year	Energy Efficient Measure	EE Technology Life	Free Ridership	GROSS annual energy savings with upgrade (kWh/yr)
2006	Energy Star® Compact Fluorescent Light Bulb	4.00	10%	104.40
2006	Energy Star® Compact Fluorescent Light Bulb	4.00	10%	104.40
2006	Seasonal Light Emitting Diode Light String	30.00	10%	30.75
2007	15 W CFL	8.00	22%	43.00
2007	20 W+ CFLs	8.00	22%	62.10
2007	Project Porchlight CFLs	8.00	24%	43.00
2007	SLEDs	5.00	51%	13.70
2008	Energy Star® Qualified Compact Fluorescent Floods (Indoor & Outdoor)	7.00	63%	87.62
2008	ENERGY STAR Decorative CFLs	4.00	61%	30.38
2008	ENERGY STAR Dimmable CFLs	6.00	62%	97.80
2008	Energy Star® Qualified Compact Fluorescent Light Bulbs	8.00	48%	52.96
2009	Energy Star Qualified Compact Fluorescent - Spring Campaign - Participant Rebated	8.00	31%	23.17
2009	ENERGY STAR Decorative CFLs - Spring Campaign - Participant Rebated	6.00	23%	25.84
2009	Installed CFLs - Spring Campaign - Participant Spillover	8.00	87%	101.42
2009	Energy Star Qualified Compact Fluorescent - Spring Campaign - Non-Participant Rebated	8.00	65%	22.41
2009	ENERGY STAR Decorative CFLs - Spring Campaign - Non-Participant Rebated	6.00	60%	26.18
2009	Energy Star Qualified Compact Fluorescent - Autumn Campaign - Participant Rebated	8.00	31%	25.50
2009	ENERGY STAR Specialty CFLs - Autumn Campaign - Participant Rebated	6.00	29%	20.81
2009	Energy Star Qualified Holiday LED Lights - Autumn Campaign - Participant Promoted	5.00	41%	13.70
2009	Energy Star Qualified Compact Fluorescent - Autumn Campaign - Non-Participant Rebated	8.00	86%	23.68
2009	ENERGY STAR Specialty CFLs - Autumn Campaign - Non-Participant Rebated	6.00	85%	29.97
2009	Energy Star Qualified Holiday LED Lights - Autumn Campaign - Non-Participant Promoted	5.00	65%	13.70
2009	Installed Energy Star® CFL Bulbs - Rewards for Recycling Campaign - Spillover	8.00	82%	44.57
2010	All measures in the EKC program	2.25	30%	95,206

Notes: Data for 2006 – 2009 are from OPA final results for those years. Data other than expected life were shown on Table 14 of the IndEco report. CFL values for 2006 EKC were not shown because those bulbs had a lifetime of 4 years, so do not lead to lost revenues in 2011 and were not included in the lost revenue calculations.

Data for 2010 are from the OPA final results for 2010, which are shown only for the total program, not by individual measure.

Free ridership is 1 – the Aggregate Net-to-Gross Adjustment reported by the OPA.

b) CFLs installed under the EKC program in 2006 had a technology life of 4 years, and thus did not result in lost revenues in 2011. Such bulbs are not included in Table 14 in Appendix A of IndEco's report, and are not included in the lost revenue calculations on which Norfolk Power's claim is based.

c) No adjustment is required, as no equipment with a life expectancy of less than 2011 has been included.

d) Norfolk Power's claim for lost revenues through 2010 identified 11,550 CFLs from the 2006 EKC program were contributing to lost revenues. These bulbs were not included in the 2010 claim or in the current claim because the time since installation is greater than the life expectancy attributed to the blubs.

e) No adjustment is required; expired measures have already been removed.