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Michael Janigan
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613-562-4002

February 5, 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: EB-2012-0176 - Westario Power Inc.

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

Yours truly,

Michael Janigan
Counsel for VECC

cc. Westario Power Inc.- Lisa Milne - lisa.milne@westario.com

REQUESTOR NAME	VECC
INFORMATION REQUEST ROUND NO:	# 2
TO:	Westario Power Inc. (Westario or WPI)
DATE:	February 4, 2012
CASE NO:	EB-2012-0167
APPLICATION NAME	2013Cost of Service Electricity Distribution Rate Application

NB: The supplementary interrogatories start at the last number of the initial set of questions – i.e. 31

2. RATE BASE (Exhibit 2)

2.0-VECC- 32

Reference: 2-Board Staff - 12 / 2-VECC-1

- a) What plans does WPI have to alleviate the design issues which required sustained outages for the town of Lucknow during maintenance of the substation?

2.0 – VECC – 33

Reference: 2 - Energy Probe – 4

- a) Please explain the reasons for the drop in capital contributions since 2011 in accounts 1855 (services) and account 1845 (underground services).

2.0 – VECC – 34

Reference: 2 – Energy Probe - 5

- b) Account 5310 Meter Reading Expenses were \$272k in 2009 and are forecast to be \$276k in 2013. Please explain how this increase is consistent with the response that there were \$3,400 reduction in costs in this account.

4.0 - VECC- 35

Reference: 2-VECC-7

- a) Please provide the total cost of the Harriston T2 Upgrade (gross costs) and the credit (in kind or cash) provided by the manufacture of the failed equipment. If there other benefits paid please also provide this so as to show and reconcile the gross costs of the project and the net costs shown in this application.

4.0 - VECC- 36

Reference: 2-VECC-8

- a) Are GS>50 meters only being replaced when they are fully depreciated or are some classmeters (or meter related) assets being written off prior to their full depreciation?

3.0 LOAD FORECAST (Exhibit 3)

3.0-VECC – 37

Reference: 3.0-Staff-16 e) and f)

- a) The response to part (e) does not explain why the average of the 2006-2011 savings was used to make the “adjustment” as opposed to, for example, the anticipated savings in 2011 (5,142 MWh per part (a)). Please provide a more fulsome response.

3.0-VECC – 38

**Reference: 3.0-VECC 14 b)
3.0-VECC 15 d)**

- a) VECC 14 b) does not respond to the question as posed. Does the approach utilized by Westario account for the fact that the 2011 actual data reflects not only the persisting effects of programs implemented in 2006-2010 but also the impact of CDM programs implemented in 2011?
- b) With respect to VECC 15 d), please provide the details showing the determination of the values in Column B for the table provided under the 3rd bullet and reconcile the values used with those from the OPA CDM reports for 2011 and 2006-2010.

- c) Now that the final 2011CDM results are available, please comment on the appropriateness of using the table provided in response to VECC 15 d) – third bullet as the basis for the CDM adjustment.

4. OPERATING COSTS (Exhibit 4)

4.0-VECC – 39

Reference: 4-Staff-24

- a) The response to this interrogatory implies that Westario expects to replace 7.5% of all smart meters between 2012 and 2016 (i.e. 1.5% per year). Is this correct? If so is the 1.5% failure rate budgeted into the 2013 capital budget?

4.0 – VECC – 40

Reference: 4-Staff-28 / 4-VECC-18

- a) Please provide a breakdown of 2009 meter reading costs in a table format similar to that of Staff #28 and which reconciles the similar figures and categories in the table given in response to VECC-18.
- b) Please explain why the Whitecap presentation tool requires approximately \$14,000 in expenditures in 2013 and each subsequent year.
- c) Please explain what training costs of approximately \$38,000 per year are required from 2013 and onward.

4.0 - VECC- 41

Reference: 4-VECC-21

- a) Please explain why the insurance products purchased from MEARIE were not subject to a tender process? The amount shown paid for this policy(ies) in 2011 is 283k and would appear to indicate that the purchase of these products by quotation was in violation of Westario's purchasing policy. Please explain?

7.0 COST ALLOCATION (Exhibit 7)

7.0-VECC – 42

Reference: 7.0-VECC 24 b) & c) & d)
Smart Meter Model, Sheet 10A

- a) With respect to the updated Smart Meter Model, what is the basis for the Weighted Meter Cost – Capital shown for each class (e.g. Residential – 76%)? Please provide a schedule setting out the calculations.
- b) The CA Model (Sheet 17.1) shows GS>50 with 3 smart meters whereas the Smart Meter model (Sheet 10A) shows 240. Please reconcile.
- c) Contrary to the response to VECC 24 d), the Smart Meter Capital weighting factors are not consistent with the number of meters installed (e.g. for residential the values are 76% vs. 88%). Please reconcile and explain the difference.
- d) Based on the preceding responses, are any revisions required to either the CA Model or the Smart Meter Model? If so, please outline and update the relevant models.

RATE DESIGN (Exhibit 8)

8.0-VECC – 43

Reference: 8.0-Staff-37 b)

- a) Please explain why Westario did not consider it appropriate to propose any changes to the retail service charges.

8.0-VECC – 44

Reference: 8.0-Staff-38 c)

- a) Please update the calculation using Hydro One Networks' recently approved 2013 rates per EB-2012-0136.
- b) Based on these results, please re-calculate Westario's 2013 LV rates by customer class.

9. DEFERRAL AND VARIANCE ACCOUNTS –SMART METERS (Exhibit 9)

9.0-VECC-45

Reference: 9-Staff-54

Preamble- The Guidelines for LRMVA treatment read in part:

All requests for disposition of the LRAMVA must be made together with carrying charges, after the completion of the annual independent third party evaluation in accordance with accordance with Section 6.1 of the CDMCode.

*As noted above, all distributors must apply for disposition of the balance in the LRAMVA; however, **if the balance in the LRAMVA is determined by the Board to be an amount recoverable by the distributor, the distributor can choose not to recover this amount***

(Guidelines EB-2012-0003 page 14).

- a) As Westario did not originally apply for disposition, is it now Westario proposal to amend its Application to recover the LRAMVA balance?
- b) If yes, please provide the number of participants/units for programs shown in Input Table 1 and 2.

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