



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC
ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7
Tel: (613) 562-4002 Fax: (613) 562-0007 e-mail: mjanigan@piac.ca <http://www.piac.ca>

May 19, 2015

VIA 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-2014-0101
Oshawa PUC Networks Inc. – 2015-2019 Rates

In accordance with the Board's letter of May 14, 2015 VECC advises that it may have clarification or follow-up questions with respect to all exhibits other than exhibit 6.

In order to be of assistance to the VECC has enclosed a number of specific questions of clarification. We continue to review the responses and will have further questions which are better asked at the time of the Conference.

With respect to questions regarding the PEG evidence (Exhibit 10) we are able to deal with any matters of clarification by way of teleconference as suggested by the Applicant.

Yours truly,

A handwritten signature in black ink, appearing to read 'Michael Janigan', is written over a horizontal line.

Michael Janigan
Counsel for VECC

cc:

Mr. Phil Martin, VP Finance & Regulatory Compliance: pmartin@opuc.on.ca
Mr. Ian Mondrow, Partner, Gowlings: ian.mondrow@gowlings

**OSHAWA PUC NETWORKS INC. (OSHAWA)
2015-2019 DISTRIBUTION RATE APPLICATION
VECC'S TECHNICAL CONFERENCE QUESTIONS**

NB: Numbering from last VECC interrogatory

3.0 OPERATING REVENUE (EXHIBIT 3)

3.0 –VECC - 59

Reference: 3-Staff 18 b) and Staff 19
1-CCC 12
3-Energy Probe 33 a) (Updated Load Forecast)
3-VECC 24 b)

Preamble: VECC-24 b) states that the 3% forecast growth rate for Residential and GS'50 was based on plans received from the City of Oshawa, Region of Durham and local developers which was provided in response to Energy Probe and Staff IRs.

Oshawa is proposing to update its load forecast (including forecast customer count) annually over the custom IR period 2015-2019.

Without a better understanding as to how the current customer count forecasts for Residential and GS<50 are established it will be difficult to understand the basis for any changes that Oshawa may proposed during the annual update process.

a) Please indicate more precisely:

- How the information provided in response to the Staff interrogatories was used to determine the forecast customer growth rate of 3% per annum for both the Residential and GS<50 classes.
- The methodology/information that will be used annually to determine whether this forecast requires revision/update and, if so, how the revised forecast will be established for 2016-2019.

3.0 –VECC - 60

Reference: 3-VECC 24 b)
3-VECC 23 c) & d)

Preamble: VECC-24 b) states that the 3% forecast growth rate for Residential and GS'50 was based on plans received from the City of Oshawa, Region of Durham and local developers which was provided in response to Energy Probe and Staff IRs..

Per VECC 23 c), the official City of Oshawa population forecast shows an increase from 156,701 in 2013 to 166,495 in 2018, which represents an annual growth rate of 1.2%. It also shows a population of 175,569 by 2023, which represents an annual growth rate from 2014 of 1.1%.

Per VECC 23 d), the Regional Municipality of Durham short term household estimates for Oshawa for 2014-2019 show an increase from 60,435 in May 2014 to 63,600 in May 2019, which represents an annual growth rate of 1.02%.

- a) How does Oshawa PUC Networks reconcile its forecast growth for Residential customers of 3% per annum with the lower growth rates published by the City of Oshawa and the Regional Municipality of Durham?

3.0 –VECC - 61

Reference: 3-Energy Probe 30

- a) Please indicate where the updated version of Table 3-11 can be found in excel model filed on May 14, 2015. Otherwise, please provide an updated version as initially requested.

3.0 –VECC - 62

Reference: 3- Energy Probe 33
3-Energy Probe 35 c)
3-VECC 30 c)

- a) Please confirm that, contrary to VECC 30 c), the updated load forecast provided in response to Energy Probe 33 assumed an

Oshawa unemployment rate of 7.34%% throughout the period 2015-2019.

- b) Do the Oshawa unemployment rates (actual and forecast) shown in the Economic Indices Tab of the Load Forecast Model provided with the IR responses (Columns L&M) represent the most recent information available?
- c) Please provide an updated response to Energy Probe 35 c) using the most recent forecast of Oshawa unemployment rates available.

3.0 –VECC - 63

Reference: 3-VECC 27 f)

- a) Please confirm that the forecast (annualized) savings for 2014 from 2014 programs of 7,426 MWh is based on the OPA`s forecast of Oshawa`s 2014 CDM results and not the savings that would be needed in 2014 to meet Oshawa`s 2011-2014 CDM Target of 52.2 GWh.

3.0 –VECC - 64

Reference: 3-VECC 28 b)

Updated Load Forecast Model, CDM Summary Tab

- a) According to the Application (Exhibit 3, page 29) LED will reduce street lighting use by 50%. However, the values for `Billed with LED” for the years 2016-2019 in VECC 28 b) are less than 50% of the “Billed before LED” values. Please reconcile.
- b) The 2019 billed kWh savings attributable to LED in VECC 28 b) (and also VECC 29) are 5,004,666 kWh. However, the value used in the CDM Summary Tab is 4,799,247 kWh. A similar issue exists for other forecast years as well. Please reconcile.

3.0 –VECC - 65

Reference: 3-VECC 32

Updated Load Forecast, CDM Summary and Rate Class Energy Model Tabs

- a) Please indicate where the updated version of Appendix 2 (per the OEB’s August 2014 version) can found in the models filed with the IR responses. Otherwise, please provide a version consistent with the updated load forecast.

- b) The CDM adjustments in the updated load forecast appear to include results for 2013 and onwards. Please explain why the values for 2013 are included in the manual adjustment when the load forecast model has been updated to include data for 2014.
- c) Please reconcile the 12,166,667 kWh LRAMVA value provided in response to VECC 32 b) for 2015 with the 2015 manual CDM adjustment made in the updated Load Forecast Model for 2015.
- d) The response to VECC 32 c) assumes the same total CDM adjustment for each year (i.e., 12,166,667 kWh), whereas in the Load Forecast Model the CDM adjustment increases annually to over 61 GWh in 2019. Please reconcile and provide updated values consistent with the updated load forecast.

7.0 COST ALLOCATION

7.0 – VECC – 66

Reference: Updated Cost Allocation Models

- a) Based on the results of the updated cost allocation models for 2015-2019 please provide a schedule that summarizes, by year (2015-2019), the status quo and proposed revenue to cost ratios for each customer class.

7.0 – VECC – 67

Reference: Updated Cost Allocation Models
1-CCC 12

- a) Please confirm that, at the (un-transcribed) technical conference held April 2, 2015, Oshawa indicated that it did not plan to re-run the CA models as part of each annual update but rather apply, in each test year 2016-2019, the class revenue requirement percentages determined based on the currently proposed revenue to cost ratios for the year in question as determined using the current forecast revenue requirements for 2016-2019 and load forecast.
- b) If not confirmed, what is Oshawa's proposal as to how the updated revenue requirement will be allocated to customer classes post 2015?
- c) If the forecast load and customer count by rate class for the years 2016-2019 changes materially, wouldn't this alter the percentage of revenue allocation by customer class for those years such that use

of the currently calculated revenue percentages by customer class is no longer valid?

- d) If not why not? If yes, how would Oshawa proposed to address this issue?

8.0 RATE DESIGN

8.0 –VECC - 68

Reference: 8-VECC 50

- a) Given that the Board's April 2, 2015 Report has confirmed that the move to a 100% fixed rate for residential customers will start in 2016, does Oshawa plan to change the basis for the rate mitigation rate riders for the Residential class?
- b) If yes, what is Oshawa's revised proposal? If not, why not?

8.0 –VECC -69

Reference: 8-VECC 51

- a) Has OPUCN received a response from its billing service provider as to the feasibility and cost of creating the requested report? If yes, what is the cost and the time required to create the report?
- b) Please confirm that the Board's stated intent to move to a 100% fixed charge for Residential customers will increase bills for lower volume Residential customers?
- c) Does Oshawa consider it important to know the number of low volume Residential customers it serves and the extent to which they will be impacted by the Board's proposed Residential rate design?
- d) If not, why not? If yes, how will Oshawa ascertain the extent of the impacts on its customer without the type information requested by VECC 51 a)?

*****End of document*****