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January 15<sup>th</sup>, 2016

Ms. Kirsten Walli  
Ontario Energy Board  
PO Box 2319  
27<sup>th</sup> Floor, 2300 Yonge Street  
Toronto, Ontario, M4P 1E4

**Re: Wasaga Distribution Inc. 2016 COS Rates Application, Interrogatory Responses  
Board File No.: EB-2015-0107**

Dear Ms. Walli,

Please find enclosed Wasaga Distribution Inc. ("WDI") Pre-ADR clarification responses to Vulnerable Energy Consumers Coalition ("VECC").

Wasaga Distribution has updated the Load Forecast and has submitted in live Excel format.

If you have any further questions, please do not hesitate to contact me at (705) 429.2517 Ext. 209 or via email at [j.tackaberry@wasagadist.ca](mailto:j.tackaberry@wasagadist.ca).

Regards,

A handwritten signature in black ink that reads "Joanne Tackaberry". The signature is written in a cursive, flowing style.

Joanne Tackaberry, CPA, CGA  
Director of Finance  
Wasaga Distribution Inc.

**EB-2015-0107**

**Pre-ADR Clarification Question Responses from Wasaga Distribution Inc.**

**2016 Cost of Service Rate Application  
Wasaga Distribution Inc. (Wasaga Distribution)  
January 15<sup>th</sup>, 2016**

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**Interrogatory Responses from Wasaga Distribution Inc.**

**2016 Cost of Service Rate Application  
Wasaga Distribution Inc. (Wasaga Distribution)  
EB-2015-0107  
December 22<sup>nd</sup>, 2015**

**Exhibit 3 – Operating Revenue**

**3-VECC-CQ 41**

Reference: Energy Probe #8

- a) Please confirm that Wasaga has not been contacted by any potential GS>50 customers with a view to receiving service starting in either 2015 or 2016.

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**Wasaga Distribution Response:**

- a) Wasaga can confirm that they were not contacted by any potential GS>50 customer in regards to starting service in either 2015 or 2016. The only changes to this customer class would be the reclassification of customers between GS < 50 kW and GS > 50 kW based on the energy usage.

**3-VECC-CQ 42**

Reference: VECC #14 c)  
 Energy Probe 10

- a) The response to VECC #14 c) states that CPI and Electricity Price Index were both specifically filtered for Ontario. However, cells A5 to A7 of Tab X.4 in the updated Load Forecast model (referred to in Energy Probe 10) indicate that the two indexes are for Canada overall. Please reconcile and correct the Load Forecast model as needed.

**Wasaga Distribution Response:**

- a) Wasaga has corrected this index, specific to Ontario. This was an oversight by Wasaga as "Ontario" was correctly selected, but Wasaga forgot to unselect "Canada" when Adding/Removing the data specific to the CPI index tables on the statistics Canada website.

The Load Forecast model has been updated to reflect this change including Tab X.4.

The updated variable used in the regression analysis is illustrated in Table below:

CPI Index Electricity Increase Relative to Overall CPI Index (Linear Trended)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2005	2.268	2.048	1.829	1.609	1.390	1.170	0.951	0.731	0.512	0.292	0.073	- 0.147
2006	- 0.366	- 0.586	- 0.805	- 1.025	- 1.244	- 1.464	- 1.683	- 1.903	- 2.122	- 2.342	- 2.561	- 2.781
2007	- 3.000	- 3.220	- 3.439	- 3.659	- 3.878	- 4.098	- 4.317	- 4.537	- 4.756	- 4.976	- 5.195	- 5.415
2008	- 5.634	- 5.854	- 6.073	- 6.293	- 6.512	- 6.732	- 6.951	- 7.171	- 7.390	- 7.610	- 7.829	- 8.049
2009	- 8.268	- 8.488	- 8.707	- 8.927	- 9.146	- 9.366	- 9.585	- 9.805	- 10.024	- 10.244	- 10.463	- 10.683
2010	- 10.902	- 11.122	- 11.341	- 11.561	- 11.780	- 12.000	- 12.219	- 12.439	- 12.658	- 12.878	- 13.097	- 13.317
2011	- 13.536	- 13.756	- 13.975	- 14.195	- 14.414	- 14.634	- 14.853	- 15.073	- 15.292	- 15.512	- 15.731	- 15.951
2012	- 16.170	- 16.390	- 16.609	- 16.829	- 17.048	- 17.268	- 17.487	- 17.707	- 17.926	- 18.146	- 18.365	- 18.585
2013	- 18.804	- 19.024	- 19.243	- 19.463	- 19.682	- 19.902	- 20.121	- 20.341	- 20.560	- 20.780	- 20.999	- 21.219
2014	- 21.438	- 21.658	- 21.877	- 22.097	- 22.316	- 22.536	- 22.755	- 22.975	- 23.194	- 23.414	- 23.633	- 23.853

**3-VECC-CQ 43**

Reference: VECC #14 a)  
 VECC #16

- a) VECC #14 indicates that all customer classes (except Street Light connections) were included in the Customer Count variable. However the total customer counts used in the model (per Table 3.12) do not match the totals for the individual classes (excluding Street Lighting) as reported in VECC 16. For example, for January 2013 the model used 12,595 whereas the total from VECC 16 is 12,592. Similarly, for February 2013 the model uses 12,601, whereas the total from VECC 16 is 12,596. Please reconcile and correct VECC 16 and/or the Load Forecast model as needed.

**Wasaga Distribution Response:**

- a) Wasaga has updated Table 3.12 as per the response to 3-VECC-16. The Load Forecast model has been updated to reflect this change in Tab 5. Variables. Tab 3. was not updated.

The updated variable used in the regression analysis is illustrated in Table below:

Customer Count	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2005	10,118	10,134	10,152	10,212	10,233	10,259	10,319	10,335	10,380	10,411	10,464	10,485
2006	10,522	10,582	10,596	10,634	10,671	10,710	10,733	10,740	10,815	10,831	10,868	10,902
2007	10,954	11,000	11,049	11,062	11,100	11,150	11,184	11,186	11,236	11,253	11,265	11,312
2008	11,324	11,335	11,344	11,358	11,377	11,435	11,477	11,527	11,549	11,596	11,631	11,664
2009	11,647	11,662	11,677	11,686	11,699	11,722	11,752	11,762	11,789	11,794	11,818	11,836
2010	11,836	11,865	11,882	11,914	11,926	11,954	11,987	12,012	12,031	12,052	12,081	12,096
2011	12,106	12,114	12,124	12,140	12,177	12,200	12,230	12,272	12,299	12,324	12,349	12,370
2012	12,398	12,410	12,424	12,437	12,454	12,473	12,501	12,521	12,538	12,557	12,571	12,582
2013	12,593	12,597	12,608	12,620	12,628	12,686	12,684	12,731	12,749	12,817	12,853	12,873
2014	12,874	12,904	12,843	12,851	12,850	12,862	12,873	12,937	12,915	12,961	12,976	13,021

**3-VECC-CQ 44**

Reference: VECC #12 d), e) & f)  
 VECC #17

Preamble: *The response to VECC #12 suggested that Wasaga did not apply the ½ year rule when determining the CDM adjustments to be made to historical purchase data.*

*The response to VECC #17 acknowledges that the adjustments made to the historical individual customer class data to account for CDM do not match the IESO verified results but suggests the differences are small*

- a) The following table compares the adjustments made to the purchase data (column 2) and the customer class data (column 3) with the verified CDM results reported by the IESO both on an annualized basis (column 6) and with the ½ year adjustment (column 7). It can be seen from the table that: i) except for 2006, the annual adjustments to the purchase data do not match the IESO verified results, either with or without the ½ year adjustment and ii) except for 2006 and 2007 the annual customer class adjustment also don't match. Furthermore, in the latter case, the discrepancies are not always immaterial. Please revise the adjustments made to the annual purchase and customer class data so that they reconcile with the IESO verified data (adjusted for the ½ year rule) and update the load forecast as needed.

(kWh)	Annual Adj. per Purch. Model (Tab X.1)	Annual Adj used for Customer Class Fcst (VECC 17)	IESO Verified CDM (Tab X.2)			IESO Verified with ½ current year adj.
			Persisting from previous years	Current Year	Total (annualized)	
2006	344,370	344,370	-	688,739	688,739	344,370
2007	1,411,584	1,067,214	688,739	756,950	1,445,689	1,067,214
2008	1,711,798	1,671,908	1,107,104	452,437	1,559,541	1,333,323
2009	2,025,078	1,906,068	1,452,332	693,054	2,145,387	1,798,860
2010	2,097,142	2,353,519	1,542,483	416,265	1,958,748	1,750,615
2011	2,245,380	2,120,093	1,877,951	318,592	2,196,543	2,037,247
2012	2,608,149	2,613,878	2,140,007	617,693	2,757,700	2,448,853

2013	3,164,453	2,940,658	2,741,487	213,898	2,955,385	2,848,436
2014	3,267,586	3,426,778	2,762,927	781,079	3,544,006	3,153,467

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**Wasaga Distribution Response:**

- a) Wasaga has updated the evidence to reconcile to the IESO Verified data, using the ½ current year adjustment and has updated Tab 6, Tab 7.2, and Tab X.1.

These updates are illustrated in the table below:

<b>TOTAL CHECK</b>			
<b>Year</b>	<b>Tab 7.2</b>	<b>Tab X.1</b>	<b>Difference</b>
2005	-	-	-
2006	344,369.66	344,369.66	-
2007	1,067,214.40	1,067,214.40	-
2008	1,333,322.58	1,333,322.58	-
2009	1,798,859.62	1,798,859.62	-
2010	1,750,615.19	1,750,615.19	-
2011	2,037,247.45	2,037,247.45	-
2012	2,448,853.44	2,448,853.44	-
2013	2,848,436.24	2,848,436.24	-
2014	3,153,466.60	3,153,466.60	-

Wasaga has submitted an updated Live Excel Load Forecast Model which has been updated to reflect these changes.



## Exhibit 4 – Operating Revenue

### 3-VECC-CQ 45

Reference: VECC #34 b)

- a) The model provided in response to VECC #34 b) suggests that for the CDM programs impacting on demand billed customers the IESO definition of “peak” includes all 12 months of the year (with the exception of DR programs). However, the IESO’s Final Report: Evaluation of Business Incentive Programs states (page D-14) that “the IESO has judged that summer peak demand savings should be used for reporting”. This report can be found at <http://cms.powerauthority.on.ca/sites/default/files/conservation/2014-Evaluation-Business-Initiatives.pdf>  
Also, in EB-2015-0083, Kingston Hydro in response to Technical Conference Undertaking JT2.7 as to the definition of peak period stated:

From the definitions in the Master CDM Agreement executed between all Ontario LDCs and the IESO:

**“Peak Demand Savings”** means electricity peak demand savings determined pursuant to the OPA EM&V Protocols.

From ERII Schedule F, EM&V Protocols Section 3:

**Demand Savings** (kW) are the maximum reduction in electricity demand between the Base Case and the Energy Efficient Case occurring in the same hour between 11 a.m. to 5 p.m. on business days, May through October.

Please provide the IESO documentation supporting Wasaga’s contention that the peak period applicable to CDM programs impacting demand billed customers extends over the each of the 12 months of the year.

**Wasaga Distribution Response:**

Wasaga does not have supporting documentation.

However, Wasaga's understanding, which is based on informal discussions through CHEC meetings with IESO staff, is that the IESO's EM&V protocols incorporate a cost/benefit analysis.

*"From ERII Schedule F, EM&V Protocols Section 3:*

*Demand Savings (kW) are the maximum reduction in electricity demand between the Base Case and the Energy Efficient Case occurring in the same hour between 11 a.m. to 5 p.m. on business days, May through October."*

From the above statement, although EM&V Protocols are evaluated based on the 11 a.m. to 5 p.m. (during business days, May-September) this timeframe is used based on the provincial "peak" period and as such, any measured savings occurring during this timeframe provides the highest value to the province. For evaluation purposes, this protocol inherently makes sense.

It is Wasaga's belief that the IESO's reporting on demand savings understates the true impact on lost revenue for Wasaga. For example, the streetlight LED conversion project will have a significant impact on the monthly demand billed from January – December. According to EM&V Protocols Wasaga expects almost zero reported net "peak" savings. However, due to the nature of this project it is clear that this project will result in a significant reduction of monthly billed demand from January –December.

Furthermore, although Wasaga is unable to provide specific data at this time, it is Wasaga's belief that a large majority of all provincial programs specific to demand billed customers are lighting projects. Wasaga can confirm that the majority of CDM projects specific to Wasaga demand customers are lighting projects and therefore, although EM&V protocols evaluate projects based on the above statement these projects very much impact the demand billed to customers from January-December.

**Exhibit 7 – Cost Allocation**

**3-VECC-CQ 46**

Reference: VECC #35

- a) Please explain why, for the Residential class the number of meters is greater than the number of customers, whereas for all other metered classes the two values are the same.
- b) Please confirm that all of Wasaga's secondary underground cable is direct bury and does not involve the use of conduit.

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**Wasaga Distribution Response:**

- a) Wasaga is carrying inventory due to the smart meter replacement program.
- b) All of Wasaga's secondary cable is direct buried except for from the lot line to the house which is installed by the customer.