



PUBLIC INTEREST ADVOCACY CENTRE  
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August 11, 2016

VIA E-MAIL

Dereck C. Paul  
Lakefront Utilities Inc.  
207 Division Street  
P.O. Box 577  
Cobourg, ON K9A 4L3

Dear Mr. Paul:

**Re: EB-2016-0089 – Lakefront Utilities Inc. – 2017 Rate Application  
Pre-ADR Clarification Questions**

In accordance with Procedural Order No. 1 a Settlement Conference with respect to above application is scheduled to be convened starting August 22, 2016. After reviewing Lakefront's interrogatory responses, VECC has identified a number of areas requiring clarification before we can meaningfully participate in the Settlement Conference.

Typically these questions would be raised at a technical conference. However, no such conference has been scheduled for this proceeding and our first formal opportunity to raise them would be on August 22<sup>nd</sup>. In order to expedite the process VECC is providing questions of clarification at this time and so that Lakefront will have an opportunity to address them on or before August 22<sup>nd</sup>.

We continue to review the interrogatory responses and may have further questions. We will do our best to provide these in advance of August 22<sup>nd</sup>.

Yours truly,

*B. Harper /for*

Michael Janigan  
Counsel for VECC

cc. Ontario Energy Board, Board Secretary  
Georgette Vlahos, Project Advisor, OEB /Registered Intervenors

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**LAKEFRONT UTILITIES INC. 2017 RATE APPLICATION (EB-2016-0089)**  
**VECC'S PRE-ADR CLARIFICATION QUESTIONS**

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**3.0 OPERATING REVENUE (EXHIBIT 3)**

**VECC –CQ 35**

Reference: VECC #14 d)

- a) The response to VECC #14 c) indicates that the IESO/OPA's Final 2015 Annual Verified Results Report is available. However, it was not provided in response to VECC #14 d) – as requested. Please provide.

**VECC – CQ 36**

Reference: VECC #14 l)  
Updated Load Forecast Model

Preamble: In response to the issues raised in VECC #14, Lakefront has revised its load forecast model and resulting load forecast for 2017.

- a) Set below are a number of issues noted regarding the revised model:
- i. The new CDM values used in the model to increase historic purchase power values do not appear to be marked up for losses as was done in the original modelling (per VECC#14 f)).
  - ii. There is no persistence of the 2006-2010 CDM programs included post 2010 – whereas in other Applications (e.g. Brantford 2017 Rates (EB-2016-0058)) values for such persistence are included in the load forecast model and therefore appear to be available from the IESO.
  - iii. The CDM impact used for 2015 programs (2,291,164 kWh) appears to be based on 1/6 of the 2015-2020 target as opposed to the actual 2015 results as reported in the Excel LRAM file provided in response to Staff #51.
  - iv. There is no allowance for the ½ adjustment in the first year of a program's impact.
  - v. For 2015 the adjustment does not include the persisting impact of the 2011-2014 programs which in the Excel LRAM file (provided in response to Staff #51) is shown as 4.0 GWh.
  - vi. The Load Forecast model (Tab 6, Column P) includes an unlabelled variable with all values set at zero. It is not clear if this was intentional or an error. Note: Unlike the initial model, the revised model does not include a Spring/Fall flag.

Please address each of the issues noted above and explain why the model is appropriate as filed or revise the model and forecast as required.

- b) Set out below are issues identified with manual CDM adjustment included in the revised 2016 and 2017 load forecast:
- i. For 2016 and 2017, the values are again based on 1/6 of the 2015-2020 program target (2,291,171 kWh). However, Lakefront has filed a CDM plan with the IESO which calls for savings of 1,815,600 and 1,130,200 kWhs respectively in these two years.
  - ii. For 2015, the estimation of the model uses the full impact of 2015 CDM programs. As a result, there appears to be no need to include the ½ year amount for 2015 in the manual adjustment.

Please address each of the issues noted above and explain why the forecast is appropriate as filed or revise the forecast as required.

#### 4.0 OPERATING COSTS (EXHIBIT 4)

##### VECC – CQ 37

Reference: Staff #51 and VECC #28

Preamble: In response to VECC #28 and Staff #51 Lakefront has provided a revised LRAMVA model and LRAM claim.

- a) Set out below are issues identified with the revised LRAM claim:
- i. The lost Revenue Calculations for each year do not appear to include impacts of: i) the New Construction program or ii) the Home Assistance program.
  - ii. The values used for the CDM included in the 2012 Rebasing Load Forecast do not appear to be correct (Staff #51). According to the EB-2011-0250 Settlement Agreement the total should be 2,572,581 kWh. The break down by customer class was provided in response to VECC #15 (Round #2) from that proceeding as copied below.

15. Reference: VECC #11 c)

- a) Please provide a schedule that sets out the CDM kWh allocation by customer class for 2012. If the kWh by class is based on purchases, please provide the metered kWh by class.

##### LUI's RESPONSE:

See table provided below which sets out the CDM kWh allocation by customer class for 2012.

Lakefront Utilities Inc. Weather Normal Load Forecast for 2012 Rate Application			
	CDM REMOVED	CDM INCLUDED	
	2012 Weather Normal	2012 Weather Normal	Allocation by Class
Predicted kWh Purchases	246,675,650	243,957,650	2,718,000
Billed kWh	233,477,898	230,905,318	2,572,580
<b>By Class</b>			
<b>Residential</b>			
Customers	8,603	8,603	
kWh	74,174,202	73,125,152	1,049,050
<b>General Service &lt; 50 kW</b>			
Customers	1,102	1,102	
kWh	35,665,047	35,160,634	504,413
<b>General Service 50 - 2,999 kW</b>			
Customers	127	127	
kWh	121,628,020	120,608,902	1,019,118
		<b>TOTAL CDM</b>	<b>2,572,581</b>

Please address each of the issues noted above and explain why the LRAM claim is appropriate as filed or revise the claim as required.

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