



October 21, 2016

**BY RESS/COURIER/EMAIL**

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

Dear Ms. Walli,

**Re: Whitby Hydro Electric Corporation  
EB-2016-0114**

In accordance with Procedural Order No. 1, please find attached Whitby Hydro's Interrogatory Responses in regards to the above proceeding.

Regards

A handwritten signature in black ink, appearing to read "S. Reffle".

Susan Reffle  
Vice President

cc: Ms. Kelli Benincasa (email)  
Ms. Shelley Grice (email)  
Mr. Michael Janigan (email)

**Whitby Hydro Electric Corporation**

**EB-2016-0114**

**Interrogatory Responses**

**October 21, 2016**

**Whitby Hydro Electric Corporation  
EB-2016-0114**

**Staff IR-1**

Ref: Appendix A: LRAM Disposition, Page 4 of 18

Whitby Hydro's LRAMVA application stated that it may address the disposition of any remaining LRAMVA balances (ie. amounts related to persistence) associated with the 2011–2014 and 2015 programs at a later date as part of a future IRM or Cost of Service application.

- a) Please discuss whether there are any outstanding amounts associated with the 2011-2014 and 2015 programs that are not claimed in this LRAMVA application.

**Response:**

As Whitby Hydro is requesting disposition of the LRAMVA account outside of a cost of service, it will continue to incur lost revenue associated with the 2011-2014 and 2015 CDM programs as it relates to the impact of program persistence from 2016 forward until the next cost of service load forecast takes place.

The matrix provided on page 4 of the LRAMVA Disposition (Appendix A) identifies the program years included in this disposition request and the calendar years for which the LRAMVA has been calculated (including persistence up to 2015). Any LRAMVA calculations for persistence related to 2011-2015 programs for calendar years 2016 and beyond will be included in a future application.

In addition, if the IESO issues adjustments to program results in subsequent annual reporting of CDM results, Whitby Hydro would request that these be considered for future LRAMVA calculations and disposition claims. Since the 2011-2014 framework has completed, it is most likely that adjustments would only pertain to 2015 programs given those results have only recently been published.

- b) If there are outstanding amounts within the 2011-2015 period that have not been included in this application, please explain why Whitby Hydro is not seeking to recover all lost revenues within the 2011-2015 period (made up of new first year incremental savings and persisting savings) at this time.

## Response

Please see response to (a). Whitby Hydro has included LRAMVA amounts associated with the savings identified in the currently published IESO reports for the 2011-2015 programs and any related persistence up to the end of the calendar year 2015. Any persistence related to subsequent calendar years as well as any further adjustments provided in future published IESO reports will be appropriately claimed in a future application.

## Staff IR-2

Ref: Appendix A: LRAM Disposition, Page 5 of 18

Whitby Hydro's application states the following:

If there are any updates or changes to previous program year results, the OPA/IESO has included them in the following years' Final Annual Report under the "Adjustments to Previous Years Verified Results". [...] On this basis, Whitby Hydro considers the supplemental information provided by the OPA/IESO for 2011, 2012, 2013 and 2014 Final Annual Reports which includes each year's program persistence into future years as appropriate for use in calculating the LRAMVA impact to the end of 2015.

- a) Please confirm that Whitby Hydro has applied adjustments to previous years' verified results in the year of program implementation.

## Response:

Whitby Hydro has aligned the LRAM calculations under the same program year as they were reported by the IESO /OPA in the published annual CDM report. For instance, the 2012 Annual CDM Report included an "adjustments to previous years" amount related to 2011 programs. Whitby Hydro has reported this under the 2012 Programs in order to tie the savings and related LRAM calculations back to the published IESO/OPA 2012 Annual CDM report and to the 2012 excel file provided by the IESO/OPA which shows the related savings and persistence.

Although the amounts are aligned with the program year in which the information was reported, the savings and LRAM amounts are calculated based on the applicable calendar year the savings (and persistence) relate to at the approved rates for that year.

Additional clarification has been included in the response to part (b).

- b) If Whitby Hydro confirms (a) above, please update Tables 3, 4, and 5 to include the adjustments to previous years savings in all future years that those savings persist within the 2011-2015 period. Please provide this updated tables in excel format.

Response:

Tables 3, 4, and 5 already include the LRAM amounts related to the “adjustments to previous years” under the appropriate column for each calendar year. For instance, in Table 3, the rows related to 2012 Programs – Residential show a total LRAM amount of (\$743.98) under the column for calendar year 2011. This represents the LRAM amount associated with the savings information reported in the IESO/OPA’s 2012 Annual CDM report in the category for ‘adjustments to previous years’. The amount under the 2011 calendar year column represents the LRAM related to the adjustment for 2011 programs as calculated at the 2011 approved rates. The persistence related to this “adjustment” is included in the same row, but under the subsequent columns for each of the calendar years (ie. 2012, 2013, 2014 and 2015) as per information provided by the IESO/OPA.

On this basis, Whitby Hydro confirms that no changes are required to tables 3, 4 and 5 as the savings data and LRAM calculations related to “adjustments to previous years verified results” is captured appropriately. There is no change required that would affect the total LRAMVA claim.

### **Staff IR-3**

Ref: Appendix A: LRAM Disposition, Page 10 of 18

Whitby Hydro’s application states the following:

Tables 6 through 9 include the supplemental information provided by the OPA/IESO for each of the 2011, 2012, 2013 and 2014 program results with persistence for the years included in the LRAMVA disposition claim (ie. up to 2015). For clarity, Whitby Hydro has inserted a column to show the allocation of program savings to Whitby Hydro’s customer classes and has included a summary of net demand and net energy savings by customer class.

Please confirm the allocation percentages to the customer rate classes for all CDM programs.

Response:

Whitby Hydro has included a table for the 2011-2014 Programs and for the 2015 Programs to identify the allocation percentages to the customer rate classes.

<b>Allocation of 2011-2014 CDM Programs by Customer Classification</b>						
	Residential	GS<50 kW	GS>50 kW	USL	Street Lighting	Sentinel Lighting
<b>Consumer Program</b>						
Appliance Retirement	100.0%	-	-	-	-	-
Appliance Exchange	100.0%	-	-	-	-	-
HVAC Incentives	100.0%	-	-	-	-	-
Conservation Instant Coupon Booklet	100.0%	-	-	-	-	-
Bi-Annual Retailer Event	100.0%	-	-	-	-	-
Retailer Co-op	100.0%	-	-	-	-	-
Residential Demand Response (Peaksaver Plus)	100.0%	-	-	-	-	-
Residential New Construction	100.0%	-	-	-	-	-
<b>Business Program</b>						
Retrofit	-	-	100.0%	-	-	-
Direct Install Lighting	-	100.0%	-	-	-	-
Building Commissioning	-	-	-	-	-	-
New Construction	-	-	-	-	-	-
Energy Audit	-	-	100.0%	-	-	-
Commercial Demand Response (part of residential program)	-	-	-	-	-	-
Demand Response 3	-	-	-	-	-	-
<b>Industrial Program</b>						
Process & System Upgrades	-	-	-	-	-	-
Monitoring & Targeting	-	-	100.0%	-	-	-
Energy Manager	-	-	-	-	-	-
Retrofit	-	-	100.0%	-	-	-
Demand Response 3	-	-	-	-	-	-
<b>Home Assistance Program</b>						
Home Assistance Program	100.0%	-	-	-	-	-
<b>Pre-2011 Programs completed in 2011</b>						
Electricity Retrofit Incentive Program	-	-	100.0%	-	-	-
High Performance New Construction	-	-	100.0%	-	-	-
Toronto Comprehensive	-	-	-	-	-	-
Multifamily Energy Efficiency Rebates	-	-	-	-	-	-

The consumer programs and the home assistance programs are allocated directly to the residential customer class. Business and Industrial programs are assigned to the GS<50 kW and GS>50 kW customer classes as applicable. During this CDM framework, it was typically more financially advantageous for small businesses to leverage the direct install lighting program. Other programs were largely directed to larger GS>50 kW customers.

**Allocation of 2015 CDM Programs by Customer Classification**

	Residential	GS<50 kW	GS>50 kW	USL	Street Lighting	Sentinel Lighting
<b>2011-2014 and 2015 Legacy Framework Programs</b>						
<b>Consumer Program</b>						
Coupon Initiative	100.0%	-	-	-	-	-
Bi-Annual Retailer Event Initiative	100.0%	-	-	-	-	-
Appliance Retirement Initiative	100.0%	-	-	-	-	-
Appliance Exchange Initiative	-	-	-	-	-	-
HVAC Incentives Initiative	100.0%	-	-	-	-	-
Residential New Construction and Major Renovation Initiative	-	-	-	-	-	-
<b>Commercial &amp; Institutional</b>						
Energy Audit Initiative	-	-	-	-	-	-
Efficiency: Equipment Replacement Incentive Initiative	-	12.3%	45.9%	-	41.9%	-
Direct Install Lighting and Water Heating Initiative	-	100.0%	-	-	-	-
New Construction and Major Renovation Initiative	-	-	-	-	-	-
Existing Building Commissioning Incentive Initiative	-	-	-	-	-	-
<b>Industrial Program</b>						
Process and Systems Upgrades Initiatives - Project Incentive Initiative	-	-	-	-	-	-
Process and Systems Upgrades Initiatives - Monitoring and Targeting Initiative	-	-	100.0%	-	-	-
Process and Systems Upgrades Initiatives - Energy Manager Initiative	-	-	100.0%	-	-	-
<b>Low Income Program</b>						
Low Income Initiative	100.0%	-	-	-	-	-
<b>Pilots</b>						
Not Applicable	-	-	-	-	-	-
<b>2015-2020 Conservation First Framework Programs</b>						
<b>Residential Province-Wide Programs</b>						
Save on Energy Coupon	-	-	-	-	-	-
Save on Energy Heating and Cooling	-	-	-	-	-	-
Save on Energy New Construction	-	-	-	-	-	-
Save on Energy Home Assistance	-	-	-	-	-	-
<b>Non-Residential Province-Wide Programs</b>						
Save on Energy Audit Funding	-	-	-	-	-	-
Save on Energy Retrofit	-	12.3%	45.9%	-	41.9%	-
Save on Energy Small Business Lighting	-	-	-	-	-	-
Save on Energy High Performance New Construction	-	-	-	-	-	-
Save on Energy Existing Building Commissioning	-	-	-	-	-	-
Save on Energy Process & Systems Upgrades	-	-	-	-	-	-
Save on Energy Monitoring & Targeting	-	-	-	-	-	-
Save on Energy Energy Manager	-	-	-	-	-	-
<b>Local &amp; Regional Programs</b>						
Business Refrigeration Local	-	-	-	-	-	-
First Nation Conservation Local	-	-	-	-	-	-
Social Benchmarking Local	-	-	-	-	-	-
<b>Pilot Programs</b>						
Not Applicable	-	-	-	-	-	-

In the 2015 legacy extension programs and the new conservation framework, the consumer programs and low income programs are allocated directly to the residential customer class. Commercial, institutional and non-residential programs are assigned to the GS<50 kW and GS>50 kW and Street Lighting customer classes as applicable. It was typically more financially advantageous for small businesses to leverage the direct install lighting program however, the retrofit program was also an option for customers who had already participated in the direct install/small business lighting programs in the legacy framework. Other programs were largely directed to larger GS>50 kW customers and Street Lighting (in the case of Retrofit). The methodology used to breakdown the Retrofit program between customer classes is summarized in the application (Appendix A, page 18).

#### **Staff IR-4**

#### **Ref: Managers Summary – Appendix B**

Whitby Hydro is once again requesting a rate rider for the disposition of Account 1576 (2015) in the credit amount of \$1,285,347 to be returned to customers. Whitby Hydro disposed of its balances as of December 31, 2014 in account 1576 in its last rate application EB-2015-0251.

PP&E differences will continue to be recorded in Account 1576 until Whitby Hydro's next rebasing, and any disposition of Account 1576 before rebasing will be on an interim basis. In order to make this more efficient, would Whitby Hydro be opposed to continuing the rate adder that would be approved by the OEB in this proceeding for Account 1576 until Whitby Hydro's next rebasing? At which point a true-up and final disposition of Account 1576 would be done. Please provide comments.

#### **Response:**

Whitby Hydro appreciates board staff's suggestion to review options and approaches related to the implementation and duration of the 1576 rate rider that consider efficiencies in process. However, after review of the information, Whitby Hydro advises that the amount of net transactions impacting the 1576 account is not expected to remain consistent over current and upcoming year/s. Whitby Hydro anticipates that there will be relatively significant fluctuations due to capital programs which differ from year to year and the amount of \$1,285,347 is not expected to be representative of future years. As a result, Whitby Hydro is unable to support an extension of the proposed rate rider beyond 2017 until Whitby Hydro's next rebasing. Whitby Hydro is however committed to review transactions and actual/forecasted balances at the end of 2016 and discuss possible alternative approaches to addressing the 1576 disposition with board staff for consideration in future applications.