

2.0-VECC-1

Reference(s): Exhibit 2, Tab 1, Schedule 5, page 4 (Table 17)
Attachment 4 (Horizon Utilities RZ RRWF)
Attachment 8 (Horizon Utilities Cost Allocation Model)

a) In Table 17 Revenue Offsets are shown as \$5,866,199 while in Attachment 4 (Tab 9) and Attachment 8 (Tab O1) Revenue Offsets are shown as \$5,953,889. Please reconcile and update the Application as required.

Response:

a) Alectra Utilities confirms that the revenue offsets for 2019 are \$5,953,889. Table 17 has been updated, as shown below.

Table 17 Revised – Summary of Significant Changes

2019 Summary of Significant Changes				
Note	Description	Custom IR EB-2014-0002	Changes	2019 Annual Filing EB-2018-0016
Rate Base:				
	Average Net Fixed Assets	\$ 476,716,587	\$ -	\$ 476,716,587
1	Working Capital Base	\$ 670,941,854	\$ (12,763,828)	\$ 658,178,026
	Working Capital Factor	12.00%	0.00%	12.00%
2	Working Capital Allowance	\$ 80,513,023	\$ (1,531,659)	\$ 78,981,363
	Total Rate Base	\$ 557,229,610	\$ (1,531,659)	\$ 555,697,950
Revenue Requirement:				
3	Deemed Interest on Debt	\$ 12,157,914	\$ (4,522)	\$ 12,153,392
4	Return on Equity (ROE)	\$ 20,728,941	\$ (723,815)	\$ 20,005,126
	Total Return on Rate Base	\$ 32,886,856	\$ (728,337)	\$ 32,158,518
	Depreciation	\$ 25,278,432	\$ -	\$ 25,278,432
	OM&A	\$ 63,238,783	\$ -	\$ 63,238,783
	Property Tax	\$ 318,611	\$ -	\$ 318,611
5	PILs	\$ 3,422,636	\$ (260,967)	\$ 3,161,668
	Service Revenue Requirement	\$ 125,145,317	\$ (989,305)	\$ 124,156,012
7	Revenue Offsets	\$ 5,953,899	\$ -	\$ 5,953,899
	Base Revenue Requirement	\$ 119,191,418	\$ (989,305)	\$ 118,202,113

2.0-VECC-2

Reference(s): Exhibit 2, Tab 1, Schedule 3, page 5 (Table 6)
Exhibit 2, Tab 1, Schedule 5, page 4 (Table 17)
Attachment 8 (Horizon Utilities Cost Allocation Model)

- a) With respect to Schedule 3, please confirm that the Table 6 represents the allocation of the Service Revenue Requirement and not the Base Revenue Requirement to customer classes as labelled.**

Response:

- 1 a) Alectra Utilities confirms that Table 6 represents the allocation of Service Revenue
2 Requirement.

2.0-VECC-3

**Reference(s): Exhibit 2, Tab 1, Schedule 3, pages 4-7
Attachment 8 (Horizon Utilities Cost Allocation Model)**

a) Please provide a schedule that set out the changes made to each of the Cost Allocation Model's input sheets for purposes of the current Application relative to the Cost Allocation Model approved in Horizon Utilities 2015-2019 Custom IR Decision.

Response:

- 1 a) Alectra Utilities has updated the Cost Allocation Model to include the updates as a result of:
2 (i) changes to the Cost of Power flow-through costs and Cost of Capital parameters; and (ii)
3 the new Cost Allocation Policy. The updates, as result of the above-mentioned changes,
4 impacted the following input sheets in the Model:
- 5 • I3 TB Data
 - 6 • I6.1 Revenue
 - 7 • I6.2 Customer Data
 - 8 • OI Revenue to Cost/RR
- 9 Tables 4 through 10 in Exhibit 2, Tab 1, Schedule 3, provide the impact of changes made to
10 the Cost Allocation Model.

3.0-VECC-4

**Reference(s): Exhibit 2, Tab 2, Schedule 9, pages 3-6
Staff-43 & 46(current proceeding)
EB-2014-0083, Exhibit 3, Tab 1, Schedule 2, pages 4-5,
Tables 31 and 32
Attachment 20 (Brampton LRAMVA Workform), Tabs 2 and 5**

It is noted that the approved 12,486,005 kWh LRAMVA threshold used for Residential is equivalent to the manual adjustment for CDM that was made to the load forecast in the last cost of service proceeding – which in turn was based on ½ year forecast CDM savings for 2013 and 2015 plus full year forecast CDM savings for 2014 as approved in EB-2014-0083 (see Table 31). It is also noted that this is a departure from the standard calculation of the LRAMVA Threshold, which is based on annualized savings as illustrated in Table 32. Finally, it is noted that the verified savings reported by the IESO are based on annualized savings (i.e., assuming all programs are implemented January 1st.)

- a) Given that the LRAMVA threshold was not based on forecast annualized CDM savings why is it appropriate to use the verified annualized savings reported by the IESO for purposes of calculating the LRAM claim?
- b) Please undertake the following and either:
 - i. Recalculate the LRAMVA thresholds using the forecast annualized savings as approved for the last cost of service proceeding and use these values in conjunction with the IESO verified results. (Note: This alternative follows the standard approach used in establishing and apply the LRAMVA threshold.)
OR
 - ii. Use the LRAMVA thresholds as approved in the last of service proceeding but re-do the LRAMVA Workform where savings from 2013 and 2015 programs are reduced by 50% (Note: This approach recognizes that the basis for the approved LRAMVA threshold departed from standard practice and adjusts the reported verified savings accordingly).
- c) Please the response to Staff 46 in an excel model format.

Response:

Reference:

EB-2014-0083, Filed April 25, 2014, Exhibit 3, Tab 1, Schedule 2, Page 1, 3 and 4
EB-2014-0083, Filed April 25, 2014, Exhibit 3, Tab 1, Schedule 2, Appendix 1
EB-2016-0182 page 11, Section 3.3

1 a) Alectra Utilities has an LRAMVA threshold for the Brampton Rate Zone of 53,726,380 kWh
2 approved in Hydro One Brampton's 2015 Cost of Service Application (EB-2014-0083). The
3 LRAMVA threshold is provided at p. 48 of the Ontario Energy Board's ("OEB") Decision and
4 Order in the 2015 Cost of Service Application (Settlement Table 12). This threshold is being
5 applied against 2016 actual savings.

6
7 Hydro One Brampton requested disposition of the its LRAMVA balance for the year ending
8 December 31, 2015 in its 2017 IRM Application, consisting of lost revenues from
9 conservation and demand management programs in 2013, 2014 and 2015, and their
10 persistence through this period. The threshold used in the 2017 IRM Application to dispose
11 of the 2015 LRAM balance, was consistent with the threshold approved in Hydro One
12 Brampton's 2013 Cost of Service Application. In the Decision and Order, issued December
13 8, 2016, the OEB stated at p. 13, "*Hydro One Brampton's LRAMVA balance has been*
14 *calculated in accordance with the CDM Guidelines and updated LRAMVA policy.*"

15
16 b) Alectra Utilities has used the appropriate LRAMVA threshold in its calculation of LRAM
17 savings. Therefore, the calculation of a LRAMVA threshold not approved by the OEB in
18 Hydro One Brampton's 2013 Cost of Service Application is unnecessary.

19
20 c) Alectra Utilities has filed the live LRAMVA workform in response to Interrogatory ERZ-Staff-
21 46.

4.0-VECC-5

Reference(s): EB-2017-0024, Interrogatory G-Staff-3

The following extract was provided in EB-2017-0024

Project Description	Gross Capex	Customer Contribution	Net Capex
Road Authority YRRT Yonge St	25,414,066	14,170,536	\$11,243,530

a) Please provide an update of the expected 2018 year-end gross capital and customer contribution for this 2018 portion of the YRRT project.

Response:

a) The updated forecast, as of August 31st 2018, of 2018 year-end gross capital and customer contributions in-service capital additions for the YRRT project can be found in the Table 1.

Table 1 – 2018 Planned and Forecasted In-Service Additions for YRRT Project

Road Authority YRRT (\$000)	2018 Planned	2018 Forecasted
Gross	25,414	28,161
Customer Contributions	14,171	15,416
Net	11,243	12,745

4.0-VECC-6

Reference(s): Board Decision EB-2017-0024, page 34 /Attachment 31pages 6-8

In approving the 2018 ICM for the YRRT the Board noted the capital was for:

Two sections along Yonge Street totaling 6.5 km (Y2) and two sections along Highway 7 and adjacent roadways totaling 8.5 km (H2) are scheduled for completion in 2018 and 2019. Each of Y2 and H2 involves major thoroughfares with significant overhead and underground distribution plant (including 27.6 kV feeders), which must be relocated before the rapid ways can be built.

In this application Alectra states it is “seeking ICM funding for the last phase in this project for Y2 and H2.

- a) Please provide the gross capital and capital contribution for this phase of the project and for the 2020 and 2021 phase to completion**
- b) Using the format of Table 1 and Table 2 at Attachment 31 please show the work completed and to be completed in each year 2017 through 2021, adding a column to show the estimated cost of each phase/stage. For each year please provide a summary of the total costs and expected capital contribution (i.e. which totals to the response shown in a).**

Response:

- 1 a) Please refer to Alectra Utilities’ response to AMPCO-2 for the gross and capital contributions
- 2 from 2016 to 2019. There is no forecasted capital expenditure in 2020 and 2021 for the Y2
- 3 and H2 YRRT Project.
- 4
- 5 b) Table 1 and Table 2 below provide the work completed and to be completed in 2017 through
- 6 to 2019 based on total capital expenditure and capital contributions.

1 **Table 1 – Gross and Net Capital Expenditures with Energization Date for YRRT – H2**

	Gross Expenditure (\$000)	Net Expenditure (\$000)	Date Energized	Year to be Energized
H2 - West				
YRRTC - H2-West - Phase 1	2,866	1,434	1-Dec-17	2017
YRRTC - H2-West - Phase 2	2,358	814	1-Dec-17	2017
YRRTC - H2-West - Phase 5.1	1,202	352	1-Jul-18	2018
YRRTC - H2-West - Phase 4	762	476		2018
YRRTC - H2-West - Phase 4.2	-	-		2018
YRRTC - H2-West - Phase 5.2	984	289		2018
YRRTC - H2-West - Phase 3.2	1,999	1,108	1-Jul-18	2018
YRRTC-H2-WEST - Parent WO	834	366		2019
YRRTC - H2-WE-Hwy 400 Crossing	3,176	2,476		2019
YRRTC-H2-WEST-Phase 3.1	2,725	-		2019
SUBTOTAL	16,906	7,315		
H2 - East				
YRRTC-H2-East-Phase 3.1&3.3	1,530	715		2018
YRRTC - H2-East -Phase 3.2	930	468		2018
YRRTC - H2-East - Phase 4	1,614	994		2018
YRRTC - H2-East - Phase 5	2,055	573		2018
YRRTC - H2-East - Phase 1	2,398	1,200	1-Jan-18	2018
YRRTC-H2 East-Neutral Raising	147	87	1-Jan-18	2018
H2-E, for field Work	16	1	1-Jun-18	2018
YRRTC - H2-East - Phase 2	2,081	837	1-Jul-18	2018
YRRTC-H2-East-Parent WO	665	240		2019
SUBTOTAL	11,436	5,115		
H2 East & West				
Design for YRRTC H2	60	-	1-Mar-17	2017
Tx Reloc. due to YRRTC VIVA	299	0	1-Jul-18	2018
YRRTC H2VMC-Pole Removal	38	33	1-May-18	2018
Child WO of 315063	58	15	1-May-18	2018
Child WO of 316357	78	24	1-Jun-18	2018
Padmount Transformer Relocatio	190	187	1-Jun-18	2018
Padmount Transformer Relocatio	65	33	1-Jun-18	2018
YRRTC - H2 - PARENT	246	246		2019
SUBTOTAL	1,034	538		
TOTAL - H2	29,376	12,968		

1 **Table 2 – Gross and Net Capital Expenditures with Energization Date for YRRT – Y2**

Y2.1	Gross Expenditure (\$000)	Net Expenditure (\$000)	Date Energized	Year to be Energized
YRRTC-Y2.1-3 PH PAD RELOCATION	50	24	1-Jul-17	2017
YRRTC-Y2.1-STAGE 3	4,764	2,267		2017
YRRTC-Y2.1-STAGE 1	2,690	1,272		2018
YRRTC-Y2.1-STAGE 2	2,736	1,312		2018
YRRTC-Y2.1-STAGE 5	5,902	3,001		2018
YRRTC-Y2.1-STAGE 4	8,700	4,350		2019
YRRTC-Y2.1-STAGE 7	5,100	2,550		2019
YRRTC-Y2.1-STAGE 8	7,300	3,650		2019
YRRTC Y2.1- PARENT	2,000	1,000		2019
SUBTOTAL	39,242	19,426		
Y2.2	Gross Expenditure (\$000)	Net Expenditure (\$000)	Date Energized	Year to be Energized
YRRTC-Y2.2 - Relocate Pdmt Tx	50	25	1-Jan-17	2017
YRRTC-Y2.2-Field Work 100%	3	-	1-Apr-18	2018
YRRTC-Y2.2-TEMP SWLK DEV-100%	35	-	1-Apr-18	2018
YRRTC-Y2.2-Switchgear Install	105	105		2018
YRRTC - Y2.2 - STAGE 5 (EAST)	3,829	2,326		2018
YRRTC - Y2.2 - STAGE 6 U/G	2,928	314		2018
YRRTC - Y2.2 - STAGE 8 (EAST)	1,700	782		2018
YRRTC - Y2.2 - STAGE 9	717	395		2018
YRRTC - Y2.2 - STAGE 7 U/G	720	371		2018
YRRTC Y2.2 - PARENT	2,000	1,000		2019
YRRTC-Y2.2- POLE REMOVALS	42	42		2019
SUBTOTAL	12,129	5,360		
TOTAL - Y2	51,371	24,786		

2

4.0-VECC-7

**Reference(s): Exhibit 2, Tab 3, Schedule 8, page 5
Attachment 27 (Power Stream LRAMVA Workform), Tab 2**

- a) Please provide references to the record from EB-2012-0161 that indicate: i) the approval of the 137,099,754 kWh LRAMVA threshold (Tab 2) and ii) the breakdown by customer class.
- b) Was the LRAMVA threshold (as approved in EB-2012-0161) based on the impact in 2013 of annualized CDM savings from 2011-2013 CDM programs? If not, what was the basis for the value (e.g., i) what years were included in the calculation and ii) how were the annualized amounts assumed for each year adjusted?). Please provide references to the EB-2012-0033 record to support the response.
- c) Please provide the IESO reports (as the original excel file(s)) that support the persisting savings in 2016 from 2011-2014 CDM programs as used in the LRAMVA Workform.

1 Response:

- 2 a) A similar interrogatory question was asked in the by Board Staff in EB-2017-0024, (PRZ-
3 Staff 16). The reconciliation of the approved CDM reduction of 245,751,229 kWh and the
4 LRAMVA threshold of 137,099,754 kWh is derived from the following table which was filed
5 in PowerStream's 2013 Cost of Service Application in Undertaking JT1.1, as Table JT1.1-1
6 CDM Savings Breakdown by Component.

Year	OPA Programs	3rd Tranche	CDM Targets 2011-2014	Total CDM Savings
2005	0	3,130,723	0	3,130,723
2006	23,745,838	24,080,564	0	47,826,403
2007	37,320,287	33,881,792	0	71,202,078
2008	74,910,984	33,568,782	0	108,479,766
2009	118,966,981	0	0	118,966,981
2010	125,158,173	0	0	125,158,173
2011	114,674,894	0	14,637,000	129,311,894
2012	112,573,489	0	63,374,000	175,947,489
2013	112,089,533	0	141,438,000	253,527,533

The approved 2013 CDM reduction of 245,751,229 kWh consists of persistence of savings from the earlier OPA programs and savings from the newer CDM Targets 2011-2014 as summarized in the table 1 below.

Table 1: PowerStream 2013 CDM Adjustment to Load Forecast (kWh)

	OPA Programs	CDM Targets 2011-2014	Total
Adjustment to kWh purchases	112,089,533	141,438,000	253,527,533
Loss factor	1.03164	1.03164	1.03164
Adjustment to billing determinants	108,651,476	137,099,754	245,751,230

The reported OPA programs savings of 112,089,533 kWh were final and not subject to change. Alectra Utilities' did not include this amount in both the LRAMVA threshold and the actual savings as there will be no variance and no impact on LRAMVA for the PowerStream RZ. Alectra Utilities has calculated LRAMVA by comparing the forecasted CDM Targets 2011-2014 of 137,099,754 kWh built into 2013 rates with the actual savings reported by the IESO for those programs.

- b) The LRAMVA threshold was based on the impact in 2013 of annualized CDM savings from 2011-2013 planned CDM programs as stated in the response to Interrogatory VECC-18 part h. (EB –2012-0161, PowerStream_IRR_VECC TC Issues_20120921, Question 56 on page 5).
- c) Alectra Utilities has filed the 2011-2014 persistence report for PowerStream RZ as attachment 4.0-VECC-7_Attach 1_2011-2014 Persistence Report PowerStream RZ.

5.0-VECC-8

Reference(s): Exhibit 2, Tab 4, Schedule 11

- a) Please provide a map showing the road bordering the area known as the Rometown project. Is this area also referred to as 'Orchard Heights'?**
- b) How many homes are served in the affected area?**
- c) Please explain in what fashion the Rometown project is atypical of annual capital programs which address reliability issues in the Enersource Rate Zone?**
- d) Please provide the annual capital spending in the Rometown area in each of the past 5 years?**

Response:

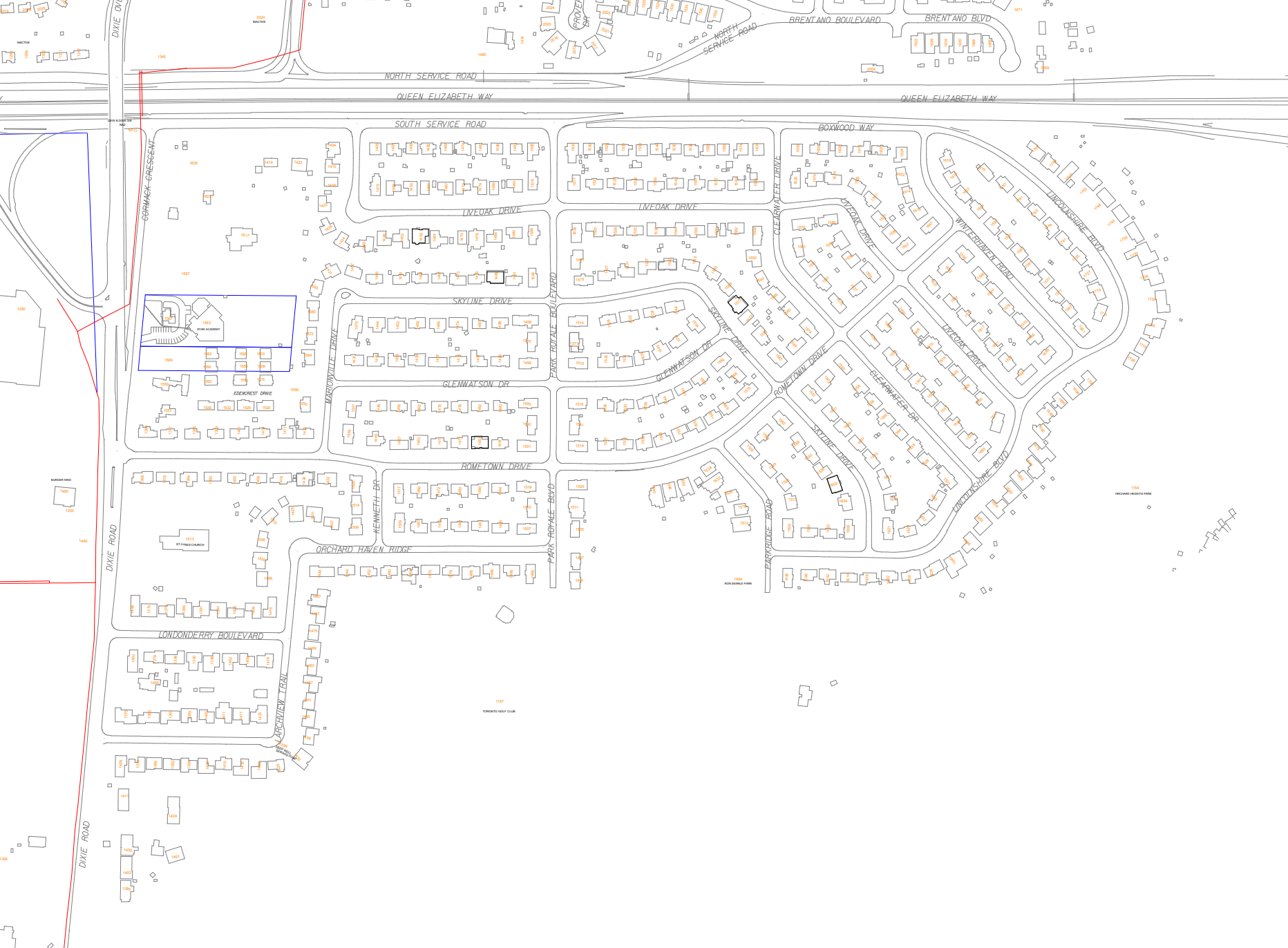
- 1 a) The map of the Rometown project site is provided as Attachment_5-VECC-
2 8_RometownProjectMap. The project area is immediately west of the area referred to as
3 Orchard Heights Park.
4
- 5 b) There are 454 customers served within the Rometown project area.
6
- 7 c) Please see Alectra Utilities' response to Interrogatory ERZ-Staff-88.
8
- 9 d) All replacements completed in the Rometown area in the past 5 years were completed
10 reactively, with costs captured in pooled reactive program costs. It is not feasible to
11 separate costs for asset replacements in Rometown project area from other reactive
12 replacement costs.
13
- 14 Alectra Utilities has provided a list of assets and the replacement year in Table 1, below.
15 Over the last five years, Alectra Utilities has continued to address the deteriorated overhead
16 system issues in the Rometown Area in a reactive spot replacement manner by immediately
17 addressing identified hazards in the system. As identified in the Rometown Area Overhead
18 System Rebuild business case in Attachment 46, Alectra Utilities examined the option of
19 continuing to address failures and hazards reactive and determined that due to the number

and proximity of deteriorated assets in the area, reactive spot replacement would not be economical compared to a scheduled construction. Initially, Alectra Utilities proposed a partial rebuild of the Rometown area in a schedule and predictive manner necessary to address all the known sub-standard and hazardous overhead system issues. However, actual customer engagement results proved otherwise. In the May 2018 Customer Engagement as provided in Attachment 49, Alectra Utilities customers in the Enersource Rate Zone indicated a preference to renew the entire overhead system in the Rometown area now. To reflect the customer preferences, Alectra Utilities has revised the plans for the Rometown Overhead System Renewal to address and rebuild the entire overhead system.

Table 1: Major Asset Replacements in Rometown area (2013-Year to Date July 2018)

Year Replaced	Asset Type
2013	Polemount Transformer
2016	Pole
2016	Pole
2016	Pole
2016	Pole
2016	Pole
2016	Pole
2016	Pole
2016	Pole
2016	Pole
2016	Pole
2016	Pole
2016	Polemount Transformer
2016	Polemount Transformer
2016	Polemount Transformer
2016	Polemount Transformer
2017	Polemount Transformer
2017	Polemount Transformer
2017	Polemount Transformer
2018	Pole
2018	Polemount Transformer

5.0-VECC-8 ATTACHMENT 1 – ROMETOWN MAP



5.0-VECC-9

Reference(s): Attachment 46, page 4

The following Rometown outage history is provided at the reference:

Table 1 – Outage History due to Equipment Failure in Rometown Area

Year	Number of Outages	Customers Impacted	Customer Interruption Minutes
2012	2	1,565	1,565
2013	0	0	0
2014	1	13	1,586
2015	3	37	3,251
2016	0	0	0
2017	0	0	0
Total	6	1,615	6,402

Table 2 – Outage History due to Tree Contact in Rometown Area

Year	Number of Outages	Customers Impacted	Customer Interruption Minutes
2012	0	0	0
2013	0	0	0
2014	1	529	58,862
2015	1	1	198
2016	0	0	0
2017	1	1,023	44,179
Total	3	1,553	103,239

- a) Please explain how this outage history is atypical of other similar service areas in the Enersource Rate Zone.
- b) Please provide the outage history for an equal number of customers who adjoin the Rometown area (for example the area to the north and bounded by Dixie Road and the Queensway).
- c) What characteristics distinguish the Rometown area from the Lakeview area (i.e. to the west and bordered by Ogden Ave-Queensway) and the other adjoining neighbourhoods?

Response:

a) The outage history is not atypical of similar service areas in the Enersource Rate Zone. However, as provided in the business case for the Rometown Area Overhead Rebuild, that is not the primary driver for the project. Rather, it is the deteriorated and substandard condition of the assets in the area. Due to the high consequence of failure, Alectra Utilities does not run overhead assets to fail. Doing so would introduce significant safety risks to the public and property. These risks include: poles falling over; live power lines falling to the ground; and pole fires, all of which have occurred within the last year in Alectra Utilities' service territory. Further, the recommended solution responds to customer feedback.

As provided in Table 1 included in the interrogatory, the outage in 2014 that impacted 13 customers for 3,251 interruption minutes was caused by a pole failure which required the pole to be reset and braced.

b) Set out below, is the total number of outages for the area of Stanfield to Queensway (Table 1), which contains 663 customer services, in comparison to Rometown, which contains 454 customer services, which is also provided in Table 2 below.

Table 1: Stanfield to Dixie, QEW to Queensway – Area Serves 663 Customers

Year	Outage		Customer Minutes of Interruption
	Number of Event	Number of Customers	
2012	0	0	0
2013	2	15	2,115
2014	8	114	22,672
2015	14	226	24,603
2016	1	30	8,340
2017	5	78	7,830
Total	30	463	65,560

1

Table 2: Rometown – Area Serves 454 Customers

Year	Number of Event	Outage	
		Number of Customers	Customer Minutes of Interruption
2012	1	840	840
2013	1	94	1,034
2014	1	13	1,586
2015	4	64	6,761
2016	7	732	87,028
2017	2	15	2,000
Total	16	1,758	99,249

2

- 3 c) The area of Ogen Ave to Queensway and Rometown are both overhead construction. The
4 primary difference between them is that the Rometown area has the highest concentration
5 of poles in poor condition.

5.0-VECC-10

Reference(s): Attachment 46, pages 3-4 of 6

The following tables are provided at the above reference:

Transformer Type	2013	2014	2015	2016	2017
KIOSK	2	4	5	2	0
PADMOUNT	92	179	372	274	369
PADMOUNT-3PH	5	2	18	12	33
POLEMOUNT	29	57	237	275	88
VAULT	29	143	103	212	138
Total	157	385	735	775	628
Grand Total 2013-2017					2,680

Table 2 – List of Remaining Transformers to Replace (As of Jan 1, 2018)

Transformer Type	PCB Transformers Indicating Leaking Oil	Non-Leaking Transformers with PCB Oil	Transformers (Non-PCB) Indicating Signs of Leaking	Total
Single-Phase Pad Mount	6	45	410	461
Three-Phase Pad Mount	1	2	44	47
Vault Transformers	0	31	202	233
Pole Mount Transformers	0	7	473	480
Total	7	85	1,129	1,221

- a) Please provide the current number of transformers replaced this year (2018).
- b) The first table shows that an average of 712 transformers per year. Please confirm that if Alectra were to continue replacing transformers based on the pattern of the previous 3 years it would replace all the leaking transformers by the end of 2019?
- c) How is this project atypical of the annual capital program for these assets?
- d) If transformer leakage is such a pending problem why were fewer transformers replaced in 2017 than in both 2015 and 2016?

Response:

- 1 a) Alectra Utilities has replaced 415 transformers from January to August 2018 and is on track
2 to complete the 2018 scope of the project.
3
- 4 b) Alectra Utilities confirms that plan is complete the replacement of remaining transformers in
5 the backlog by the end of 2019.
6
- 7 c) Alectra Utilities developed a multi-year replacement project to address the remaining 1,221
8 transformers, in order to minimize environmental, reliability, safety, regulatory and financial
9 risks before any major contamination and liabilities materialize. Failure to replace these
10 transformers in a timely manner to avoid expensive environmental remediation, minimize
11 environmental and public safety risk, and give rise to significant financial liabilities on the
12 part of the utility. By contrast, the annual underground and overhead transformer and
13 equipment renewal program is reactive in nature and required to respond to faulted
14 transformers and transformers found no longer suitable for service based damage, heavy
15 rusting as well as other hazards to public safety and the environment.
16
- 17 d) Using an average annual replacement rate does not always reflect the circumstances
18 involved in replacing individual transformers. Each transformer location can have unique
19 requirements for replacement such as: challenges involving access to the transformer
20 location; difficulty in obtaining customer outages to complete the work; and navigating
21 around spills and remediation efforts. In 2017, Alectra Utilities completed a high number of
22 larger three phase transformers which required more coordination and effort relative to
23 smaller pole mounted transformers.

5.0-VECC-11

**Reference(s): Exhibit 2, Tab 4, Schedule 9, pages 4-6
Attachment 42, Tabs 2 and 5**

- a) Was the LRAMVA threshold (as approved in EB-2012-0033) based on the impact in 2013 of annualized CDM savings from 2011-2013 CDM programs? If not, what was the basis for the value (e.g., i) what years were included in the calculation and ii) how were the annualized amounts assumed for each year adjusted)? Please provide references to the EB-2012-0033 record to support the response.
- b) Please provide the IESO reports (as the original excel file(s)) that support the persisting savings in 2016 from 2011-2014 CDM programs as used in the LRAMVA Workform.

Response:

- 1 a) The LRAMVA threshold (as approved in EB-2012-0033) was developed using the impact of
2 historical CDM programs up to 2011, and projections of 2012 and 2013 according to the
3 2011-2014 CDM Framework. (Ref: EB-2012-0033, Filed: April 27, 2012, Exhibit 3, Tab 1,
4 Schedule 2, Page 6 of 31).
5
- 6 The annualized amount was based on the historical CDM impact, and projections of
7 incremental energy savings from the 2011-2014 CDM targets that Enersource needed to
8 deliver in 2012 to 2013.
9
- 10 b) Alectra Utilities has filed the 2011-2014 IESO Persistence Savings Report in response to
11 Interrogatory 4.0-VECC-7.