

April 10, 2017

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Re: EB-2016-0110 Welland Hydro-Electric System Corp.
Response to Clarification Interrogatories
Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed two hard copies of Welland Hydro's responses to Clarification Interrogatories related to 2017 COS EB-2016-0110.

An electronic copy has been filed using the OEB's E-filing services (RESS).

Yours very truly,



Wayne Armstrong
President & CEO
905-732-1381 Ext 234
905-732-0266 Fax
Email: warmstrong@wellandhydro.com

3-VECC 49

Reference: VECC 24 c)

- a) Please confirm that in the estimation of the revised Load Forecast model (which uses data up to 2016) the value of the CDM activity variable for 2016 does not reflect the actual results from CDM programs implemented in 2016 (but rather the planned results based on Welland's 2015-2020 CDM Plan).

Response:

Confirmed.

- b) Please provide a revised Load Forecast model and forecast results based on the corrected data for the period 2002-2015.

Response:

See attached excel spreadsheet Welland_2017 Load Forecast_V4_3 VECC 49B_20170331.

3-VECC 50

Reference: VECC 25
Revised Load Forecast Model, CDM Activity Tab
Welland 2011-2014 CDM Results with Persistence

- a) It is noted that for 2015 CDM programs persisting savings in 2016 and 2017 are estimated using historic persistence rates (CDM Activity Tab, Cells AE16 and AF16). However, the IESO actually produces a report (titled – Final 2015 Annual Verified Results – Annual Persistence Report) that sets out the persisting effects of an LDC's 2015 CDM programs and which other distributors have filed in their 2017 COS proceedings (e.g. CNPI – EB-2016-0061). Please provide the comparable report for Welland.

Response:

See attached excel spreadsheet Welland_Final 2015 Annual Verified Results Report – Annual Persistence_20170331.

- b) It is noted that persisting impact of 2014 CDM programs actually increases in 2017 (CDM Activity Tab, Cell AF15). It appears that this is attributable to one of the 2014 Industrial Energy Manager Initiatives. Please explain: i) what this initiative is; ii) why the savings are increasing in 2017; and iii) why these future increases should be considered as verified results and not subject to the LRAMVA.

Response:

- i) Embedded Energy Manager under the Process and Systems Upgrade Initiative (PSUI) associated with the District School Board of Niagara.
- ii) The IESO is currently verifying the information that they provided Welland Hydro.
- iii) The revised load forecast reflects 2016 actual results as best as possible. Consistent with the method used to set the LRAMVA threshold in other recent cost of service applications approved by the Board, the 2017 LRAMVA threshold is based on full expected CDM savings from 2017 programs only and does not include any results from actual years. As a result, it would not include the impact of results from 2014 programs.

7-VECC 51

Reference: VECC 43 b)

- a) Why would the costs need to be recovered in variances if charged to Account #4820?

Response:

The metering at the TS (Hydro One owned) is a wholesale metering point used by the IESO to bill Welland Hydro for power consumed. The requirements surrounding the wholesale metering point are set out in the market rules and regulations. As a result, Welland Hydro is required to have these meters monitored by a service provider who would provide technical support with the IESO if required. If these costs are not included in Distribution Rates (OM&A) then they would have to be charged Cost of Power and form part of a variance account.

Account 4820 - Transformer Station Equipment - Operating Labour does not apply to Welland Hydro as the transformer station is owned by Hydro One.

- b) Would the same problem arise is the costs were charged to Account #5014?

Response:

No, costs included in account 5014 are included in OM&A expenses approved in Distribution Rates and not subject to variances.

7-VECC 52

Reference: Staff 64 b) and VECC 45

- a) Please confirm that under Welland's proposal if a customer is delivered a disconnection notice and subsequently pays the amounts owing within the required timeframe by some other means (i.e., other than paying when the notice is delivered) then service will not be disconnected and the customer will not be assessed a Collection of Account charge.

Response:

When Welland Hydro delivers the "notice of disconnection" the customer has previously received a disconnection notice and a 48 hour telephone call. As a result, the customer is in the position of being disconnected. If the customer paid they would be charged a collection charge. If no payment is received the customer would be disconnected. If customer requested payment arrangements such as the arrears management program when the "notice of disconnection" is delivered, Welland Hydro would not assess a Collection of Account charge under these circumstances.

7-VECC 53

Reference: VECC 44 c)

- a) The response states the \$1 covers the cost of postage and processing the cheque. Please respond to the initial question and confirm whether or not the \$1 also covers the variable cost of preparing the bill.

Response:

There is minimal variable costs related to the actual processing of the credit bill sent to the microFit customer. This is an automated process of the billing system contained in the Customer Information Software (CIS). As a result, the \$1 covers the variable cost of preparing the bill.