



CASSELS BROCK  
LAWYERS

September 11, 2009

BY E-MAIL AND BY COURIER

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, Suite 2701  
Toronto ON M4P 1E4

Ian Blue, Q.C.

ibblue@casselsbrock.com

tel: 416.869.5352

fax: 416.350.6921

file: 37929-1

Dear Ms. Walli:

**Re: Board File No. EB-2009-0180/ EB-2009-0181 / EB-2009-0182 and EB-2009-0183**

**Re: Applications by Toronto Hydro Energy Services Inc., Toronto Hydro-Electric System Limited and 1798594 Ontario Inc.  
Interrogatories of City of Toronto**

Pursuant to the Board's Procedural Order No. 1, enclosed please find herewith two hard copies of the interrogatories of the City of Toronto respecting the above mentioned applications. An electronic version of same is sent herewith in PDF format.

Yours truly,

IAN BLUE

IAB/sh

Enclosures

cc: Board Staff and Intervenors of record (by e-mail)

## **City of Toronto Interrogatories**

**Application by 1798594 Ontario Inc. (NewCo) for a distribution licence;  
Applications by Toronto Hydro Energy Services Inc. (THESI) for leave to sell  
streetlighting assets; and  
Application by Toronto Hydro-Electric System Limited (THESL) and 1798594  
Ontario Inc. for leave to amalgamate**

**EB-2009-0180, EB-2009-0181, EB-2009-0182 and EB-2009-0183**

### Interrogatory # 1

Ref.: Tab C Transaction Documents

Tab C provides the proposed agreements that will be executed and enforceable upon approval by the Board. Please provide all currently in force agreements and contracts related to Street Expressway Lighting between:

- a. THESL and its affiliates; and
- b. THESL or its affiliates and the City of Toronto.

Please describe the proposed status of each agreement assuming the Board grants the requested orders.

### Interrogatory # 2

Ref.: EB-2007-0680 Decision dated May 15, 2008, pages 63-64

The table below summarizes the Board's Decision on THESL's proposed Revenue:Cost ratios for its Street Expressway Lighting and Unmetered Scattered Load customer classes.

	2006 CAR-IF	Proposed	OEB range	OEB Decision
Street Expressway Lighting	10.7%	25.1%	70-120	40%
Unmetered Scattered Load	44.3%	48.2%	80-120	62%
Source	p63	p 63		p 64

- a. Please confirm that the data summarized in the table is correct.
- b. Please quantify THESL's proposed Street Expressway Lighting and Unmetered Scattered Load distribution rates for 2009 and 2010 that moves to the minimum Board required Revenue:Cost ratio by 25% in each year, so that the associated Revenue:Cost ratio is 70% by 2011; please provide all calculations and state all assumptions and supporting facts.
- c. Please identify all adjustments and changes to the costs of the Cost Allocation Review Informational Filing ("2006 CAR-IF") to restate Street Expressway Lighting and Unmetered Scattered Load costs to include the

costs to overcome Contact Voltage in THESL's licensed service area as supported by the findings of the Contact Voltage Review and any other applicable analyses. Please re-estimate the 2006 CAR-IF Revenue:Cost ratios for Street Expressway Lighting and Unmetered Scattered Load customer classes to incorporate those adjustments. Please re-estimate THESL's 2008 Street Expressway Lighting and Unmetered Scattered Load distribution rates that overcome 50% of the difference between the computed Revenue:Cost ratio and the minimum OEB required Revenue:Cost ratio. Please estimate THESL's 2009 and 2010 Street Expressway Lighting and Unmetered Scattered Load distribution rates that overcome the remaining 50% difference.

**Interrogatory # 3**

No Reference

For the years 2006, 2007, 2008 please provide:

- a. The actual amounts paid by the City of Toronto to:
  - i. THESI
  - ii. THESL by flow through of third party costs, recovery of time and materials not covered through authorized rates or the application of authorized rates

for Street Expressway Lighting and Unmetered Scattered Load services and activities.

**Interrogatory # 4**

No Reference

Assuming the applications are approved, please estimate the following for the years 2009-2013:

- a. The estimated amounts payable by the City of Toronto to THESL for Street Expressway Lighting and Unmetered Scattered Load services and activities; and
- b. The Revenue:Cost ratio of the distribution rates charged by THESL in each year resulting in such amounts payable.

Please state all assumptions, all supporting facts and provide all working papers.

**Interrogatory # 5**

No Reference

Please provide:

- a. the changes in Street Expressway Lighting and Unmetered Scattered Load costs to overcome Contact Voltage per the findings of the Contact Voltage Review and any other applicable analyses;
- b. the amount of this change that will be paid by the City of Toronto and the name of the party to whom it will be paid; and
- c. all relevant agreement(s).

**Interrogatory # 6**

No Reference

Sound rate making practices indicate that rates be set so that, among other things, Revenue:Cost ratios will be held to +/- 5% of unity. Please estimate THESL's 2008 Street Expressway Lighting and Unmetered Scattered Load distribution rates that result in a Revenue:Cost ratio of 100% assuming:

- a. Costs per the 2006 CAR-IF;
- b. plus the costs that will overcome Contact Voltage in THESL's licensed service area as supported by the findings of the Contact Voltage Review and any other applicable analyses.

Please state all assumptions and provide all working papers.