



March 25, 2011

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

Dear Ms. Walli:

**Re: Horizon Utilities Corporation
2011 Electricity Distribution Rate Application
Submission of AMPCO Interrogatories on Horizon's Updated Evidence
Board File No. EB-2010-0131**

Pursuant to Procedural Order No.7 , attached please find AMPCO's interrogatories.

Please contact me if you have any questions or require additional information.

Sincerely yours,

(ORIGINAL SIGNED BY)

Adam White

President
Association of Major Power Consumers in Ontario

Copies to: Horizon Utilities Corporation
Intervenors (email)

Association of Major Power Consumers in Ontario

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EB-2010-0131
Horizon Utilities Corporation
2011 Electricity Distribution Rate Application
AMPCO Interrogatories on Updated Evidence dated March 14, 2011

1 **1. Reference:** BLG Letter dated March 14, 2011 Re: Update on Horizon's Evidence, Page 3

2
3 On page 3 of BLG's letter, Horizon indicates that General Motors of Canada, another Horizon
4 Utilities Large Use customer, is in the process of shutting down its Plant 1 in St. Catharines.
5 "Horizon anticipates that the shutdown will be permanent".

6
7 Please provide any additional information that Horizon is aware of to support this statement.
8

9 **2. Reference:** Exhibit 3, Tab 2, Schedule 2, Page 20

10
11 Horizon proposes putting the net distribution revenue from GM and USSC that is above the
12 baseline in a variance account, Account 1572. Horizon further proposes that any net
13 distribution revenue in excess of those baselines be shared with its large Use customers on a
14 50/50 basis.

15
16 a) Please provide the precedent for this proposal.

17
18 b) Please provide Horizon's position under the scenario that net distribution revenue from
19 GM and USSC is less than the baseline.

20
21 c) Please provide Horizon's position under the scenario that net distribution revenue from
22 the Large User class is i) in excess of the baseline and ii) less than the baseline.
23

24 **3. Reference:** Exhibit 5, Tab 1, Schedule 1, Page 3, Return on Equity

25
26 Horizon Utilities is requesting a Return on Equity (ROE) for the 2011 Test Year of 9.85%. The
27 Board's updated cost of capital parameters for 2011 Cost of Service Applications were issued
28 March 3, 2011.

29
30 a) Please explain Horizon's rationale for not using the latest ROE figure in this update.

31
32 b) What is the change in revenue requirement if Horizon's ROE is 9.58% for the Test Year.
33

34 **4. Reference:** Exhibit 6, Tab 1, Schedule 2, Page 3, Table 6-2 Drivers of Revenue Deficiency

35
36 In the original filing, the change in load forecast in Table 6-2 shows and impact on revenue
37 requirement of \$3,628,000. In the updated Table 6-2, the change in load forecast impact on
38 revenue requirement is the same. Please explain.
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40
41

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- 1 **5. Reference:** Exhibit 3, Tab 2, schedule 2, Appendix 3-2, Page 11
- 2
- 3 Page 11 shows the kW/kWh calculation for the years 2003 to 2011.
- 4
- 5 Please provide the calculation for the Large User class.
- 6