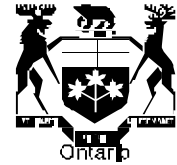


**Ontario Energy
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BY E-MAIL

January 19, 2009

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: North Bay Hydro Distribution Limited
2009 Incentive Regulation Mechanism (2009 IRM) Rate Application
Board File Number EB-2008-0202**

Please find attached Board staff interrogatories in the above proceeding. Please forward the attached documents to North Bay Hydro Distribution Limited (North Bay) and all other parties in this proceeding. In addition please advise North Bay that responses to the interrogatories are required to be filed by the 2nd of February, 2009.

Yours truly,

Original Signed by

Martin Benum
Advisor

Encl.

Question #1

Ref. Smart Meter Model Sheet 6 Avg Net FixAss & UCC

Board staff notes that the Opening New Fixed Assets of one period should be equal to the Closing Net Fixed Assets of the previous period (e.g. Cell D16 should be equal to Cell C 17, Cell E 16 should be equal to Cell D 17, etc.).

- a) Please review and advise if North Bay agrees with the above.

Question #2

Ref. Smart Meter Model Sheet 2. Smart Meter Data

OM& A Expenses

2.1.1 Advanced Metering Communication Device Maintenance (AMCD) \$17,680

2.3.1 Advanced Metering Control Computer (AMCC) Hardware Maintenance \$96,902

2.3.2 Advanced Metering Control Computer (AMCC) Software maintenance \$176,242

- a) Please provide details on the nature of these expenses.
- b) Are these expenditures fixed or variable?
- c) Please explain if these amounts are one time annual amounts, or incremental based on the quantity installed.

Question #3

Ref. Smart Meter Model Sheet 7. Funding Adder Collected

North Bay identifies that the amount of \$212,212 has been collected through North Bay's existing funding adder to September 2008. Staff notes that this amount will be larger by the end of April, 2009. Staff also notes that North Bay does not appear to have accounted for or included the existing funding adder in the calculation of the new proposed smart meter funding adder.

- a) Please explain how North Bay intends to dispose of amounts collected through the existing smart meter funding adder.

Question #4

Ref. Rural or Remote Electricity Rate Protection ("RRRP")

By letter dated December 17, 2008, the Board informed the electricity distributors of the approval it has given to the IESO regarding the level of charge the IESO may apply to its Market Participants for the Rural or Remote Electricity Rate

Protection (RRRP) program. In that letter, the Board stated: "Distributors that currently have a rate application before the Board shall file this letter as an update to their evidence along with a request that the RRRP charge in their tariff sheet be revised to 0.13 cents per kilowatt-hour effective May 1, 2009."

- a) If North Bay has not done so, please file the required addition to the evidence as outlined in the December 17th letter.