



***PUBLIC INTEREST ADVOCACY CENTRE
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January 5, 2009

VIA MAIL and E-MAIL

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

Dear Ms. Walli:

**RE: HORIZON UTILITIES CORPORATION
EB-2008-0183**

Please find enclosed the Interrogatories of the Vulnerable Energy Consumers Coalition (VECC) on the Applicant's evidence in the above-noted proceeding.

We have also directed a copy of the same to the Applicant.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

HORIZON UTILITIES CORPORATION
EB-2008-0183

VECC Interrogatory Requests

Question #1

Reference: Horizon Utilities, 3GIRM Rate Generator

- a) With respect to Tab 1.2, please confirm that the revenue to cost ratio for the Back-up/Standby Power class is not 100% as reported but rather 51%. (Note: This appears to be due to an error in the OEB model specification)
- b) With respect to Tab C 2.2, please confirm that the current revenue to cost ratio for Back-up/Standby Power is not 100% as reported. Please confirm that the revenue to cost ratio proposed for this class in the 2008 Rate Order was 65.84%. If not, please confirm what the value was and that it was less than 100%.
- c) If the responses to parts (a) and (b) are confirmed, would it be reasonable to further increase the revenue to cost ratio for Back-up/Standby Power further in 2009 (e.g., to 70%)? If not, why not?
- d) With respect to Tab B3.1, please confirm that the OEB Cost Allocation Model included the cost of the Transformer Ownership Allowance in the Base Revenue Requirement and allocated it to all customer classes.
- e) Please confirm that in its 2008 Rate Application Horizon excluded the cost of the transformer ownership allowance from the base revenue requirement allocated to all customer classes based on its proposed revenue to cost ratios and assigned the cost of the Transformer Ownership Allowance only to the GS>50 class.
- f) With respect to Tab B3.1, given the price cap adjustment is applied to the all rates, why shouldn't it also be applied to the transformer ownership allowance for 2009?