



January 19, 2009

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

Dear Ms. Walli,

Re: Halton Hills Hydro Inc. 2009 3rd GIRM Rate Application - Interrogatory Responses to OEB Staff
Board File Number EB 2008-0182

Please find Halton Hills Hydro Inc.'s responses to VECC Interrogatory questions in proceeding EB-2008-0182.

These responses have been filed through the OEB RESS, emailed to all intervenors and will be hand delivered to the OEB offices on January 20, 2009.

Yours truly,

Arthur A. Skidmore CMA
Chief Operating Officer
Halton Hills Hydro Inc.
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cc. John Samuelson, Managing Director
Interested Parties EB-2008-0182

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**Halton Hills Hydro Inc.
Response to VECC Interrogatories
2009 3rd GIRM Electricity Distribution Rate Application
Board File Number EB-2008-0182**

Question #1

Reference: Halton Hills Hydro, 3GIRM Rate Generator and 3GIRM Supplementary Filing Model

- a) With respect to Tab D2.2 (Rate Generator Model), why is there no K-Factor adjustment applied to the volumetric charges for each class?
 - b) With respect to Tab F1.2 (Rate Generator Model), why is there no Price Cap adjustment applied to the volumetric charges?
 - c) With respect to Tab B3.1 (Supplemental Model), 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.
 - d) Please confirm that in its 2008 Rate Application Halton Hills 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.
 - e) 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?
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- a) The K-factor adjustment has been updated for volumetric charges, for each class in the January 19, 2009 revised Ontario Energy Board 2009 3rd Generation Incentive Rate Mechanism shown in Appendix B of the HHHI response to Ontario Energy Board Staff interrogatories.
 - b) The Price Cap adjustment has been updated for volumetric charges, for each class in the January 19, 2009 revised Ontario Energy Board 2009 3rd Generation Incentive Rate Mechanism shown in Appendix B of the HHHI response to Ontario Energy Board Staff interrogatories.
 - c) HHHI confirms that the cost of transformer ownership allowance was included in the base revenue requirement and allocated to all customer classes in the OEB cost allocation model.

- d) In HHHI's 2008 Cost of Service Rate Application, the cost of transformer ownership allowance was allocated to the General Service 50 to 999kW and the General Service 1000 to 4999kW classes.
- e) The price cap adjustment could potentially be applied to the transformer ownership allowance. With a 0.98% price cap adjustment projected in the 2009 model as filed, there would be no impact on the \$0.50 transformer adjustment (due to rounding).