



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. <http://www.piac.ca>

Michael Buonaguro
Counsel for VECC
(416) 767-1666

January 20, 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: Vulnerable Energy Consumers Coalition (VECC)
Interrogatories: EB-2008-0250
Westario Power Inc. – 2009 Electricity Distribution Rate Application

Please find enclosed the supplemental interrogatories of the Vulnerable Energy Consumers Coalition (VECC) in the above-noted proceeding.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

Westario Power Inc. (WPI)
2009 Electricity Rate Application
Board File No. EB-2008-0250

VECC's Interrogatories
(2nd Round)

Question #24

Reference: VECC #3

- a) The formatting of the response is such that the text does not all appear on the files provided. Please reformat and re-file.
- b) Please ensure that the variable rate reported for each customer class represent the full (unrounded) rate excluding LV charges.

Question #25

Reference: i) VECC #6 b)
ii) Exhibit 3/Tab 2/Schedule 1, Attachment – page 11

- a) The number of new services in 2008 (if pro-rated for balance of the year) and 2009 appears to exceed the number of new customers assumed in each year in Exhibit 3. Please reconcile.

Question #26

Reference: i) VECC #7 b)

- a) Please reconcile the \$3,671,439 year 2000 asset value and the \$181,218 annual depreciation charge with a 25 year service life (e.g., $\$3,671,439/25 = \$146,858$ and not \$181,218).
- b) As requested in the original IR, please provide similar schedule for Accounts #1845 and #1850.

Question #27

Reference: VECC #9 f)

- a) With respect to part (f), what was the source of the implied 19% loss factor for Residential (i.e., did Hydro One actually calculate the 235,715,541 kWh value for actual purchased Residential kWhs or did WPI provide the 19% value to Hydro One Networks?)
- If Hydro One calculated the Residential actual purchased value, how was this accomplished?
 - If WPI provided the 19% value to Hydro One Networks, what was the basis for the value?

Question #28

Reference: i) VECC #11

- a) With respect to part (b), how much of the 2008 and 2009 budget for Account #5040 is attributable to the on-going field asset collection program? When will this program be complete?
- b) With respect to part (c), please explain more fully what is included in Engineering Burden and why the 2009 costs have increased by \$34,000.
- c) With respect to part (f), please revise the cost of the “rate application” assuming there is no oral component to the proceeding.

Question #29

Reference: VECC #19 b)

- a) Please break down the \$763,316 as between estimated recovery of Regulatory Assets and 2009 interest on Regulatory Assets.
- b) The Board, in a number of EDR 2008 decisions denied increasing regulatory taxable income through the addition of movements, or recoveries, in regulatory assets, e.g Brantford Power, PUC. For instance in the Brantford Power Decision (EB-2007-0698) the Board stated that “The appropriate forum for the issues raised by the Company is the Board’s pending proceeding on account 1562. Until that proceeding is concluded, there is no basis for the Board to deviate from the findings it has made in other cases where the same issue has been identified.”

Please explain why, in light of these decisions, Westario believes that the Board should approve its request to include this item in its regulatory taxable income.

Question #30

Reference: VECC #20 a)

- a) Please provide the derivation of the test year Transmission Connection revenues for each customer class.

Question #31

Reference: i) VECC #21 c)
ii) OEB Staff # 39

- a) Please confirm whether Output Sheet O1 provided in Exhibit 10/Tab 2/Schedule 39, Attachment A is the response to OEB Staff #39 or VECC #21 c). (Note: The responses to both IRs make reference to this Attachment. However, the Staff IR requested a copy of the Cost Allocation used in the filing while the VECC IR requested an alternative run). Please provide Output Sheet O1 for which ever question has not been responded to.
- b) Please explain why, in Attachment A, total revenues do not equal the total revenue requirement. What adjustments were made when applying the results to the 2009 Application to account for this?
- c) If Attachment A is the response to the OEB Staff #39, why don't the revenue to cost ratios match those at Exhibit 8/Tab 1/Schedule 1, page 1? If it is not, please identify the Cost Allocation run and provide the Output Sheet O1 that is the basis for the revenue to cost ratios reported in the Application at this reference.

Question #32

Reference: VECC #22

- a) If Attachment A is the response to the OEB Staff #39, why don't the revenue requirement proportions match the percentages shown in the response to this IR?
- b) Please identify the Cost Allocation run and provide the Output Sheet O1 that supports the percentages provided in VECC #22.

Question #33

Reference: VECC #23 a) and c)

- a) Please provide as response to the original question as posed, i.e., provide a table setting out:
 - 2009 billing parameters by class
 - 2008 rates by class, excluding the smart meter adder and LV adders by class
 - 2009 revenues at 2008 rates – showing the total as well as fixed and variable revenues separately by class
- b) What is the basis for the fixed and variable rates of \$12.10 and \$0.0152 respectively reported in the current response to VECC #23, part (a) for Residential?
- c) Please explain why the fixed portion of the fixed variable split is not applied to the Allocated Revenues set out at Exhibit 9/Tab 1/Schedule 3, page 1, line 11 (i.e. before adding in the LV and TOA charges).

Question #34

Reference: OEB Staff #4

- a) What portion (i.e., %) of the total 2009 OM&A expenses of \$4,811,825 (excludes taxes) was estimated using a 3% inflation rate?
- b) Please provide the most recent year over year inflation rate (e.g., November 2007 to November 2008).

Question #35

Reference: General

- a) Various responses make reference to a “Ratemaker” model “submitted as evidence with the Application”. This model does not appear to be posted on the OEB web-site. Please provide a copy.

Question #36

Reference: OEB Staff #43 d)

- a) Please explain more fully how the projected revenues and expenses values for Connection and Network were derived.
- b) Was the same 9.2% increase assumed for both Connections and Networks and, if so, what was the basis for this assumption?
- c) Please explain why the expenses reported here for Connection and Network don't reconcile with the values shown at Exhibit 2/Tab 4/Schedule 2/Attachment 1, page 1.

Question #37

Reference: OEB Staff #23

- a) Please provide the actual derivation of each Power Supply Expense as requested (i.e., rates and volumes assumed).

Question #38

Reference: OB Staff #37

- a) Please reconcile the difference between the projected 2007 LV cost of \$620,444.40 shown in the response (page 10) and the LV cost included in the Application of \$733,477.