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January 30, 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-2008-0245
Thunder Bay Hydro Electricity Distribution 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.

Thunder Bay Hydro Electricity Distribution Inc. (TBH)
2009 Electricity Rate Application
Board File No. EB-2008-0245

VECC's Interrogatories – Round #2

Question #1

Reference: VECC #3 c)

- a) Please explain how the data files provided in response to part (c) support the contention that Residential and GS<50 loads are 100% weather sensitive; GS>50-999 load is 89% weather sensitive and GS 1000-4999 load is 59% weather sensitive.

Question #2

Reference: VECC #3 d)

- a) Please confirm that the retail NAC values reported are average billed kWh per customer similar to the values presented in Table 13 of the referenced Exhibit.
- b) Please reconcile the 8,034 kWh value reported for Residential with the weather normalized and customer count data reported in Sheet I6 of the Cost Allocation Run (OEB #41).

Question #3

Reference: Energy Probe #13

- a) Please confirm whether the customer count data set out in Table 8 (Exhibit 3/Tab 2/Schedule 1) is a "year end" count or an "average annual" count.
- b) The data set out in Table 8 for 2002-2004 does not match that filed in Thunder Bay Hydro's 2006 EDR Application (Sheet 6.2). For example, the Residential customer count for 2004 was 44,167 in the 2006 EDR and is reported as 44,242 in the current Application. Please explain the reason for the differences.

Question #4

Reference: VECC #4 a)

- a) As requested in the original question, please set out the rates used to derive the fixed and variable revenues by customer class.

Question #5

Reference: VECC #5 a)

- a) Please indicate the source of/basis for the percentages reported under the "Cost Allocation" column. (Note: Using the Allocated Costs per Table 2 of Exhibit 7/Tab 1/Schedule 2 yields 50.84% for Residential and not the 51.21% reported in the IR response).
- b) Please confirm that the proposed revenue to cost ratios set out in the second last column (Forced Rate Application) are calculated by dividing each classes proposed share of the total Base Revenue Requirement by each class' allocated portion under the Cost Allocation column (e.g., Residential = \$10,819,713.63 / \$8,971,794.03). If not, explain how the value is derived.

Question #7

Reference: VECC #7 c)

- a) Please explain why the allocation of Miscellaneous Revenues was affected by the removal of the Transformer Ownership Allowance.

Question #8

Reference: VECC #8 a)

- a) The intent of the original question was to obtain information as to how the fixed/variable split %'s used in the determination of the 2009 rates were determined (e.g., how was the 55.72% fixed charge proportions established for the residential class)? Please address this question.

Question #9

Reference: OEB #52

- a) It is not clear from the materials filed whether Thunder Bay Hydro had an independent 3rd party evaluation performed for each program funded in 2007 and beyond for which it is seeking an LRAM or SSM. Please indicate where in the materials filed these 3rd party independent evaluations can be found for each program and who the independent 3rd party evaluator was. If the independent 3rd party evaluations (including verification of participation rates) have not been filed, please do so.

Question #10

Reference: VECC #10

- a) For each of the years 2004-2008 inclusive, please provide the total capital spending and indicate the total amount spent on projects which did not meet the materiality standard which would have been applicable in the year.

Question #11

Reference: OEB #2 b)

- a) Please confirm that the response to the referenced IR implies that, absent specific direction from the OEB to reduce capital spending, there is no chance that any planned maintenance or capital projects will be deferred, cut, or adjusted.

Question #12

Reference: OEB #16

- a) Thunder Bay has single-sourced its purchased communications services from Thunder Bay Telephone. Please indicate whether there are any competitive suppliers of the services purchased.
- b) Please indicate whether the vendor Mearie, which is the vendor chosen for insurance liability premium, is the same vendor as the Mearie Management Inc. vendor which is the vendor for basic life insurance premiums.

- c) Please describe the difference between the coverage provided by Northwest and Mearie.
- d) Please indicate whether Thunder Bay could have obtained the services it now purchases from Northwest, from Mearie.
- e) Please explain the over 33% increase in cost for services purchased from Northwest in 2009 over 2008.
- f) Please indicate the amount that Thunder Bay expects to pay for the services it currently purchases from Northwest in 2010.
- g) Please explain why the cost of meter reading services purchased from Olameter increased so sharply from 2007 to 2008.
- h) Please indicate the amount that Thunder Bay expects to pay for the services it currently purchases from Olameter in 2010.