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February 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: EB-2008-0221
Bluewater Power Distribution Corporation (BPDC)
2009 Electricity Distribution Rate Application
Vulnerable Energy Consumers Coalition (VECC)
Supplementary Information Requests**

Attached please find Supplementary IRs based on the Applicant's updated filing.

Yours truly,

Michael Buonaguro
Counsel for VECC

cc: Bluewater Power Distribution Corporation
Andrew Taylor Ogilvie Renault LLP

**BLUEWATER POWER DISTRIBUTION CORPORATION
2009 RATE APPLICATION (EB-2008-0221)**

**VECC'S INTERROGATORIES RE:
FEBRUARY 2, 2009 APPLICATION UPDATE**

Question #1

Reference: February 2, 2009 Update, page 4 and Appendices A & B

- a) Please confirm that Royal was permanently shut down as of January 1, 2009. If not, please indicate when it did/is expected to shut down permanently.
- b) Please confirm (per Appendix B) that UBE is expected to operate for at least the first half of 2009.
- c) Why would it not be more reasonable to assume some operation of these facilities in 2009 and establish a "variance account" to address any variations in distribution revenues?

Question #2

Reference: February 2, 2009 Update, pages 6 and 7

- a) Please describe specifically what types of facilities were associated with the \$1,541,173 in net fixed assets that were considered in the cost allocation run to service only UBE.
- b) Please also explain how Bluewater established that all but \$639,687 of this can be redeployed to service other customers.
- c) Is there no prospect of the UBE plant reopening (perhaps with a new owner or different use) in the future and the currently stranded assets being useful again?

Question #3

Reference: February 2, 2009 Update, page 8

- a) With respect to Table 9 and in light of the load forecast change, did Bluewater undertake a review of either its proposed 2009 OM&A or capital spending to determine if reductions could be made to offset the impact. If yes, please provide copies of any reports dealing with the results of the review.
- b) Please explain why the 100 basis point variation in ROE should be considered significant when the OEB has established a 300 basis point threshold for off ramps in the 3GIRM.

Question #4

Reference: February 2, 2009 Update, page 10

- a) Please confirm that the proposed deferral account will capture any revenue shortfall associated with the loss of "Royal" until the next rebasing. If not, please clarify what revenue shortfalls will be accrued in the account.
- b) In light of Bluewater's request for a Deferral Account, what is Bluewater's view as to the approach that should taken in the event a new customer or the expansion of an existing customer adds significant load to its service area during the 3GIRM period (e.g., should these revenues also be "captured" in the deferral account?).

Question #5

Reference: i) February 2, 2009 Update, page 13
ii) VECC IR# 30 c)

- a) Please provide a copy of the O1 and O2 Output Sheets consistent with the results set out in Table 13 (reference (i)).
- b) Please provide an update to VECC #30 c) based on the February 2, 2009 revised Cost Allocation run.

Question #6

Reference: i) VECC IR #13 a) and b)

- a) Please update the information regarding the 2009 transformer ownership allowance based on the Updated load forecast – per VECC 13 a).
- b) Please update the information regarding the amount and allocation of LV costs for 2009 based on the Updated load forecast – per VECC 13 b).

Question #7

Reference: i) VECC #34 b)

- a) Please update the response to this interrogatory based on the updated load forecast.

Question #8

Reference: i) Exhibit 9/Tab 1/Schedule 1, pages 3-5

- a) Were the fixed/variable splits for the Intermediate and Large Use classes updated based on the new load forecast?

Question #9

Reference: February 2, 2009 Update, page 18

- a) Under Bluewater's proposal, customers will experience an increase in bills in 2011 when the two-year Disposition Rate Rider is removed. Based on the proposed 2009 rates, please indicate the impact on a typical residential customer when the proposed rate rider is removed.