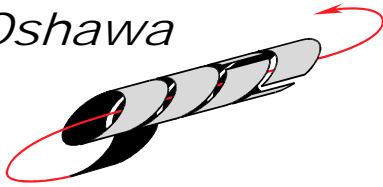


Oshawa



PUC Networks Inc.

100 Simcoe Street South, Oshawa, Ontario L1H 7M7 • Tel. (905) 723-4623 • Fax (905) 723-7947 • E-mail contactus@opuc.on.ca

February 27, 2009

Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor 2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: Oshawa PUC Networks Inc. (ED 2002-0560)
2009 IRM Rate Application (EB-2008-0205)

Oshawa PUC Networks Inc. wishes to submit our Response to the Interrogatories from VECC for Part II of the above file. The Response was submitted electronically using the OEB's RESS document filing system and two (2) paper copies have been sent to the Board Secretary.

Copies of this response have been sent electronically to the intervenors in this rate case.

Yours truly,

Vivian Leppard
Regulatory Analyst
Phone: (905) 743-5220
Email: vleppard@opuc.on.ca

**OSHAWA PUC NETWORKS INC. (OPUCN)
3GIRM INCREMENTAL CAPITAL APPLICATION
EB-2008-0205**

VECC Interrogatory Requests

Concrete Pole Replacement

Question #1

Reference: i) *Oshawa PUC, 3GIRM Incremental Capital Application, pages 5-7*
ii) *EB-2007-0710, Exhibit 2/Tab 3/Schedule 1*

- a) *Please confirm that the 2006 Kinectrics Asset Condition Assessment included a review of “concrete poles” – per reference (ii), Appendix D, page E-2. If so, why weren’t the issues discussed on page 5 (reference (i)) identified during this assessment?*

The Kinectrics Asset Condition Assessment was conducted during October and November, 2005. Kinectrics performed complete inspections of all substations as part of the assessment, but only “example sites of overhead distribution lines were evaluated.” This means that only a sample of distribution assets outside of the substations were evaluated as part of the assessment. The Kinectrics assessment report does reference a 3-year wood pole testing program already initiated by OPUCN and the fact that concrete poles were being replaced in the downtown core. The replacement of concrete poles in the downtown core is as a result of the City of Oshawa’s decorative lighting program and was not the result of any problems identified with the poles. The problems were not detectable at the time the 2005 Asset Condition Assessment was conducted.

- b) *Apart from the 2006 Kinectrics Report, had OPUCN under taken any other inspections/reviews/assessments of the condition of its concrete poles in the three years prior to the July 21, 2008 incident? If not, why not? If yes, why did these inspections not uncover the problems noted in the Application?*

OPUCN follows the requirements of the Distribution System Code with respect to frequency of assessments of its distribution system. Distribution poles are assessed on a 3 year basis. The degradation in strength in the concrete pole that failed could not be determined through the standard 3 year assessment. The pole strength was degraded due

to a number of factors including an improper number of reinforcing bars installed in the pole at the time of manufacture, a bolt hole drilled through another of the reinforcing bars and the age of the pole. These are not conditions which are detectable during a routine assessment.

- c) *Please confirm that OPUNC has an ongoing pole replacement program and provide a schedule that sets out:*
- *Total Actual Spending on Pole Replacement for 2006-2008*
 - *Total Forecast Spending (excluding the requested \$1,521,800) on Pole Replacement for 2009.*
 - *The number of wood poles and the number of concrete poles replaced annually from 2006-2008.*
 - *The number of wood poles and the number of concrete poles to be replaced in 2009 – with out the provision for the incremental funding.*

The ongoing nature of OPUCN's pole replacement program can be confirmed through an examination of the following data.

- Total amount spent on wood pole replacement:

Year	Amount Spent	Poles Replaced
2006	\$ 0.0	0
2007	\$774,488	172
2008	\$203,300	34

- Total forecast spending (excluding the requested \$1,521,800) on wood pole replacement for 2009: \$240,800
- The number of wood poles and number of concrete poles to be replaced in 2009 – without the provision for the incremental funding:

Wood poles	Concrete poles
41	0

- d) *Please address the ability of OPUCN to address this issue within its current Pole Replacement Program budget.*

OPUCN cannot address this issue within its current pole replacement budget. The funding in the budget is insufficient to replace all of the concrete poles identified in the pole investigation study without diverting funds from other necessary wood pole replacement projects. This will compromise safety, reliability, and system quality.

e) Has OPUCN consulted other Ontario distributors regarding their experience and practices regarding concrete poles? If yes, please provide the results.

No, OPUCN has not consulted other Ontario distributors with respect to their experiences and practices with concrete poles. OPUCN believes that it is absolutely necessary to replace the 30 poles identified in its recent inspection in order to ensure the safety of the public and its workforce. Distribution poles provide the structure and means to support the high voltage distribution circuits and a pole failure results in a very serious and real threat to safety.

f) Has OPUCN sought any external third party advice regarding the condition of and need to replace its concrete poles?

Yes, OPUCN reviewed concrete pole testing methodologies with SAMTECH Inc. of Mississauga, Ontario.

g) Have there been any additional concrete pole failures since the July 2008 incident? If yes, please provide a schedule setting out the date and circumstances associated with each failure.

No, there have not been any further concrete pole failures on the OPUCN distribution system since the July, 2008 incident.

h) Has OPUCN assessed the location of its concrete poles to determine what percentage of them are in high risk (public) areas such as near high traffic (car/pedestrian) corridors, near schools/playgrounds, etc.? If yes, what were the results?

OPUCN has listed the location of each pole requiring replacement and prioritized its replacement based on a risk analysis process that factors in public safety.

- i) *Did OPUCN consider undertaking a two/three year replacement program that prioritized high risk areas? If yes, why was it rejected? If not, please provide comments on undertaking such an approach.*

OPUCN considered undertaking a replacement program based on more than one year but concluded, based on the level of risk involved in delaying the work, that it is necessary to replace the poles identified in the investigation as quickly as possible. That is why OPUCN is seeking funding to replace these poles in 2009.

Long Term Load Transfer Elimination

Question #2

Reference: i) *Oshawa PUC, 3GIRM Incremental Capital Application, pages 7-9*

- a) *Given the current economic conditions, is OPUCN still experiencing “rapid growth of its customer base” – per pages 8 and 10? Please provide a schedule setting out the number of new service connections each year for 2006-2008 and current projections for 2009.*

Year	New Service Connections
2006	1,245
2007	821
2008	869
2009 (projected)	250

The number of projected new service connections for 2009 is based on a projection of the last quarter of 2008 statistics and seems to reflect the change in economic conditions in Oshawa.

- b) *Please provide a schedule that:*
- *Breaks down the customers to be transferred in each year (per page 8) by customer class*
 - *Sets out the loads by customer class for each year’s customers*
 - *Sets out the incremental distribution revenues OPUCN will receive (based on approved 2008 rates) from the customers that will be transferred each year.*

Customers to be Transferred to OPUCN Distribution System

Year	Number of Customers		Customer Load		Incremental Revenues	
	Residential	GS < 50 kW	Residential	GS < 50 kW	Residential	GS < 50 kW
2008	6	1	49,897	15,927	644	299
2009	7	2	209,152	53,232	2,548	987
2010	5	1	145,668	59,058	1,775	1,084
2011	4	6	94,495	112,654	1,158	2,105
Total	22	10	499,212	240,871	6,125	4,475

2008 Approved Rates

Residential	Fixed	8.13
	Variable	0.0119
	Smart Meter Adder	0.27
Commercial	Fixed	8.88
	Variable	0.0182
	Smart Meter Adder	0.27

- c) *Please provide a schedule that sets out the annual capital spending (including 2008) based on the current four-year plan to eliminate LTLT – per page 8.*

Year	Annual capital spending
2008	19,576
2009	414,400
2010	412,000
2011	495,000

- d) *Please confirm that even with the proposed acceleration of the LTLT program OPUCN will not be in compliance with the Distribution System Code.*

Yes, even with the proposed acceleration of the LTLT program OPUCN will not be in strict compliance with the Distribution System Code.

Distribution System Reliability Improvement

Question#3

Reference: i) Oshawa PUC, 3GIRM Incremental Capital Application, pages 9-11
ii) EB-2007-0710, Exhibit 2/Tab 3/Schedule 1
iii) EB-2007-0710, Exhibit 2/Tab 3/Schedule 2

a) *Please identify more specifically the feeder targeted for replacement in terms of age, location, voltage, length, number of customers connected, etc.*

OPUCN has collected data on the performance of its distribution system and, as a result, has identified the 2F4 feeder as a poor performing feeder. This is a purely urban feeder serving approximately 1000 customers in a densely populated area. It is a 13.8 kV feeder, located in the center of the City of Oshawa, East of Summerville St., West of Ritson Rd, South of Beatrice St. and North of Rossland Rd. The approximate length of this feeder is 10 km (including main tapping. The majority of the customers connected to it are residential and there are also few commercial customers and a school. The feeder is approximately 45 years old.

b) *What is the recent reliability performance of the targeted feeder relative to other similar feeders on OPUCN's system?*

The following chart shows the reliability statistics for the 2F4 feeder which is the one which will be replaced during this project. For comparison purposes, the chart also includes the statistics for feeder 5F5 which is an average performing feeder. These two feeders are similar in terms of customer mix attached to the feeder, feeder length, and routing.

Name of the feeder	Momentary interruption 2008	SAIDI -2008	SAIFI -2008

2F4	17	0.91	2.43
5F5	2	0.12	1.10

c) Please provide a schedule that sets out OPUCN's total Enhancement (defined per reference (iii)), capital spending budget for 2009 and list all projects with spending over \$100,000 – including those associated with the incremental capital spending being applied for. Note: Please distinguish between new projects and those continuing from 2008 (approved).

The following schedule that sets out OPUCN's enhancement capital spending budget for 2009 for all projects estimated to cost over \$100,000.

2008 approved projects	Description	Cost (\$)
System planning	O/H 44KV Ritson- Eulalie to 401 & Crossings	635,040
	Coates - Thornton to Simcoe LTTC	414,400
	MS#9 New Substation	800,000
Reliability/Safety	Harmony - Legend Centre to Conlin	308,000
	Bond St Vault Ceiling	147,840
	Conlin - Wilson to Harmony	285,600
	U/G Cable Replace, Killdeer	123,760
Individual/Special	Ritson & Dean intersection (required by Region of Durham)	115,024
	Taunton - Simcoe to Ritson Region	106,400
	Taunton - Benson to Townline (Reg)	240,800
	Simcoe - Niagara (Reg)	213,920
2009 Projects		
Reliability/Safety	Rebuild Farewell - Wentworth	360,080
	O/H Pole Replace after Testing	240,800
	MS# 5 Relays	180,320
	MS#10 Relays	331,520
	Substation Breaker Replacement	207,200
	Feeder Pothead/Cable Replace	117,600

Individual/Special	Replace Underground Transformers	292,320
	Distribution Component Changeouts	132,720
	U/G Secondary Cable Unplanned Replacement	212,800
	U/G Primary Cable Unplanned Replacement	163,520
IRM Application Projects		
System Planning	LTLT Elimination	907,500
Reliability/Safety	Concrete Pole Replacement	250,00
	Dist. System Reliability Improvement	850,000
Individual/Special	Mobile Work Force	254,000

The change in the amount for the Concrete Pole Replacement program reflects the final results from the study conducted by OPUCN staff. This report is included in the response to Board Staff interrogatory question 6 (a).

- d) *Based on the Asset Investment Tool described in reference (ii), pages 15-19, please undertake the following:*
- *Provide the value creation and risk mitigation ranking for each project planned for 2009 and listed in response to part (c).*
 - *Discuss the relative ranking of the feeder project proposed for incremental capital funding relative to other new projects in OPUCN's 2009 budget.*
 - *Identify the projects with the lowest scores (in terms of value and risk) totalling \$500,000 in spending and comment on the implications of not proceeding with these expenditures in 2009 (i.e., a one-year delay).*
- Risk Mitigation ranking for each projects planned for 2009

2008 approved projects	Project Description	Amount	Risk Mitigation Ranking
System planning	O/H 44KV Ritson- Eulalie to 401 & Crossings	635,040	9.90
	Coates - Thornton to Simcoe LTTC	414,000	13.18
	MS#9 New Substation	800,000	13.35
	Conlin - Wilson to Harmony	285,000	9.93

Reliability/Safety	Harmony - Legend Centre to Conlin	308,000	11.36
	Bond St Vault Ceiling	147,840	11.20
	U/G Cable Replace, Killdeer	123,760	11.30
Individual/Special	Ritson & Dean intersection Region	115,024	14.70
	Taunton - Simcoe to Ritson Region	106,400	*
	Taunton - Benson to Townline (Reg)	240,800	*
	Simcoe - Niagara (Reg)	213,920	*
2009 Projects			
System Planning	Rebuild Farewell - Wentworth	360,080	9.50
Reliability/Safety	O/H Pole Replace after Testing	240,800	12.80
	MS# 5 Relays	180,320	12.40
	MS#10 Relays	331,520	12.40
	Substation Breaker Replacement	207,200	12.07
	Feeder Pothead/Cable Replace	117,600	12.20
Individual/Special	Replace Underground Transformers	292,320	11.90
	Distribution Component Changeouts	132,720	12.60
	U/G Secondary Cable Unplanned Replacement	212,800	11.16
	U/G Primary Cable Unplanned Replacement	163,520	13.13
IRM Application Projects			
System Planning	LTLT Elimination	907,500	
Reliability/Safety	Concrete Pole Replacement	1,521,800	
	Dist. System Reliability Improvement	850,000	11.18
Individual/Special	Mobile Work Force	254,000	

* Region of Durham – road work

- Relative ranking of the feeder project for incremental capital funding – 2009:

The proposed 2F4 feeder project is considered as a distribution system reliability project which falls under reliability/safety criteria for incremental capital spending.

The ranking of the projects for 2009 under this criterion are in the range of 12.07 to 12.8. This project has a score of 11.18.

- Projects with the lowest scores (In terms of values and risk) above \$ 500,000:

There are no projects with the lowest scores in terms of values and risk for the year 2009 above \$500,000.

Mobile Work Force

Question #4

Reference: i) *Oshawa PUC, 3GIRM Incremental Capital Application, pages 12-13*

- a) *Please provide a copy of the cost/benefit analysis that justifies the investment in the purchase of a mobile workforce system.*

Please see the response to Board Staff questions 16 (b) for this information

- b) *The application makes reference to 1 person year of work being eliminated as result of the project. What is the associated annual savings in OM&A costs (i.e., wages, benefits, pension costs, etc.)?*

Please see above.

- c) *What is the expected life of the new system and the annual operating/licensing costs?*

The system life is expected to be five years. The annual operating/licencing costs are not known at this time.

2009 Capital Budget

Question #5

Reference: i) *Oshawa PUC, 3GIRM Incremental Capital Application, page 3*
ii) *EB-2007-0710, Exhibit 2/Tab 3/Schedule 2*

- a) *Please provide a schedule that sets out OPUCN's total 2009 capital budget broken down between Expansion, Connections, Enhancement, Meters, Vehicles and Special/Individual Projects (per definitions in reference (ii)). Please identify the gross spending and spending net of capital contributions. On the same schedule please provide actual annual spending for 2006-2008 and Board approved 2008 spending.*

Please see the reply to Board Staff interrogatory 1 (e) for the 2009 capital budget proposed. The following chart summarizes the information from 2005 through 2008 and compares it to 2008 approved spending.

Oshawa PUC Networks Inc
Capital Budget & Actual Capital Costs
For the years 2005 - 2008

Category	2005		2006		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Estimate
Enhancements	5,592,274	5,049,552	6,050,748	7,185,422	4,844,536	7,901,825	6,937,682	5,948,997
Expansions	1,220,400	3,222,496	2,000,052	1,690,873	1,485,000	1,484,237	1,860,300	1,355,752
Connections	388,260	806,084	734,400	937,929	632,500	847,961	527,523	1,164,231
Meters	880,714	562,045	372,168	274,119	342,100	325,870	369,468	392,699
Vehicles	350,000	314,811	400,000	181,804	0	402,780	0	0
Equipment	246,500	284,056	50,000	66,448	50,000	61,167	0	0
Office Capital			728,876	208,832	1,050,225	364,368	537,000	450,307
Total Gross Costs	8,678,148	10,239,044	10,336,244	10,545,427	8,404,361	11,388,208	10,231,973	9,311,986
Total Cap Contribution	(2,050,600)	(5,299,045)	(3,905,326)	(6,362,630)	(1,820,500)	(4,151,118)	(1,804,733)	(767,760)
Total Net Capital Cost	6,627,548	4,939,999	6,430,918	4,182,797	6,583,861	7,237,090	8,427,240	8,544,226

b) With respect to part (a), please identify in which spending category each of the four 2009 “incremental capital projects” is included.

The incremental capital projects are reported separately in the budget provided for 2009 and are identified as “IRM Projects”.

c) Please provide a variance explanation if 2009 spending in any of the following categories varies by more than 5% from the 2008 spending approved by the OEB:

- *Meters*

The variance in the meter category is the result of plans to begin installing smart meters in advance of the 2010 provincial target to have all residential and small commercial customers billed on time of use rates.

- *Vehicles*

There are no vehicle expenditures contemplated for 2009.

d) Please list and provide an explanation (i.e., drivers) for any Special/Individual Projects budgeted for 2009 with spending of \$100,000 or more. What capital contributions (if any) are associated with the 2009 projects in this area

List of Special/Individual projects -2009

Project Description	Driver	Amount (\$)
Replace Underground Transformers	Unplanned replacements upon failure - Based on historical data	292,320
Distribution Component Changeouts	Component replacements as identified in outage reviews / reliability	132,720
U/G Secondary Cable Unplanned Replacement	Unplanned replacements upon failure - Based on historical data	212,800
U/G Primary Cable Unplanned Replacement	Unplanned replacements upon failure - Based on historical data	163,520
Ritson & Dean intersection Region	Region of Durham - Road work	115,024
Taunton - Simcoe to Ritson	Region of Durham - Road work	106,400

Region		
Taunton - Benson to Townline (Reg)	Region of Durham - Road Work (village of Taunton)	240,800
Simcoe - Niagara (Reg)	Region of Durham - Road Work	213,920

- e) Please confirm that the new MS (i.e., MS9) project and the SCADA replacement project were both completed in 2008 as outlined in OPUCN's 2008 Rate Application. If not, please identify the spending in the 2009 budget associated with these projects.*

The SCADA replacement project has been completed. The MS project has been partially delayed due to the slowdown in the economy and the subsequent load reduction. The 2009 capital budget contains \$800,000 carried over from 2008. Please refer to Board Staff question 1(c) for further details.

- f) For the Connections category please indicate the number of new connections and connection upgrades planned for 2009 and contrast this with the numbers for 2007 and 2008. Please provide a variance explanation if the projected spending for 2009 exceeds the Board approved 2008 levels by more than 5%.*

The number of upgrades is largely driven by customer request and is more volatile. For instance, there is no way to predict the effect the new renovation tax credit may have on the number of upgrades customers decide to undertake or how upgrade activity will be affected by the downturn in the local economy.

Year	Connections	Upgrades
2007	821	607
2008	869	625
2009 (projected)	250	--

- g) For the Expansion category, please undertake the following:*
- Indicate the total number of projects,*
 - Provide a listing of projects with spending of \$10,000 or more ,and*
 - Provide an explanation for any project with spending exceeding \$50,000.*

	Net capital	Capital	Total
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		contribution	
Subdivision Expansion	\$ 425,040	\$ 991,760	\$ 1,416,800

OPUCN uses one budget line in its annual budget for expansions. The actual number of expansion projects and the individual locations of those projects are not know at the time the budget is set.

The estimate of the amount of work required is based on historical data and planning information relating to development activity expected in 2009 which is supplied by the City of Oshawa.

h) For the Enhancement category, please undertake the following:

- Provide a schedule that sets out spending for 2008 and 2009 broken down between: i) 2008 programs that are continuing in 2009, ii) 2008 programs that are completed in 2008 (e.g., MS9 and SCADA replacement) and iii) New 2009 Enhancement projects*
- For 2008 Enhancement programs that continue in 2009 and 2009 spending exceeds \$100,000, please describe the nature of the program and provide an explanation for variances of 5% or more.*

Please find attached the 2009 Capital Enhancement Budget. All projects in 2008 were completed, except for carryover projects. The carryover projects are denoted by “C07” and “C08” job numbers on the attached 2009 Capital Enhancement Budget.

It is too early in the 2009 year to review 2008 Enhancement carryover projects for budget variances of 5% or more. This information is not available.

2009 Capital Budget

i

Capital Enhancement

Job #	Project Description	PME MH	Lineman MH	Other MH	Total MH	Labour \$	Material\$	Vehicle\$	Contract\$	Engineering\$	Total\$
C07-201	O/H 44KV Ritson- Eulalie to 401 & Crossings	0	2,400	0	2,400	210,000	200,000	47,000	110,000	68,040	635,040
C07-205	Ritson & Dean intersection Region	0	500	0	500	25,000	60,000	7,700	10,000	12,324	115,024
C07-206	Taunton - Simcoe to Ritson Region	0	1,000	0	1,000	65,000	5,000	20,000	5,000	11,400	106,400
C07-776	Harmony @ Coldstream (City)	0	72	0	72	5,000	12,000	1,000	1,000	2,280	21,280
C08-203	Harmony - Legend Centre to Conlin	0	1,050	0	1,050	75,000	140,000	20,000	40,000	33,000	308,000
C08-209	Bond St Vault Ceiling	300	0	0	300	15,000	35,000	2,000	80,000	15,840	147,840
C08-211	Conlin - Wilson to Harmony	0	1,000	0	1,000	70,000	130,000	20,000	35,000	30,600	285,600
C08-212	Coates - Thornton to Simcoe LTTC	0	2,640	0	2,640	160,000	120,000	45,000	45,000	44,400	414,400
C08-216	U/G Cable Replace, Killdeer	0	400	0	400	10,000	20,000	2,500	78,000	13,260	123,760
C08-218	U/G Cable Replace, Sycamore	0	275	0	275	8,500	18,000	2,000	50,000	9,420	87,920
C08-222	Taunton - Benson to Townline (Reg)	0	1,440	0	1,440	95,000	90,000	30,000	0	25,800	240,800
C08-225	Simcoe - Niagara (Reg)	0	1,100	0	1,100	80,000	80,000	25,000	6,000	22,920	213,920
C08-290	MS#9 New Substation	80			80	10,000	351,643	1,000	351,643	85,714	800,000
C09-200	O/H Pole Replace after Testing	0	1,650	0	1,650	100,000	65,000	30,000	20,000	25,800	240,800
C09-208	Feeder Pothead/Cable Replace	400	400	0	800	50,000	40,000	10,000	5,000	12,600	117,600
C09-219	U/G Cable Replace, Southdown	0	300	0	300	15,000	35,000	5,000	30,000	10,200	95,200
C09-230	Replace Overhead Transformers	0	100	0	100	12,800	50,000	3,700	0	7,980	74,480
C09-235	Replace Underground Transformers	0	400		400	45,000	200,000	13,000	3,000	31,320	292,320
C09-240	Distribution Component Changeouts	0	480	0	480	50,000	55,000	11,500	2,000	14,220	132,720
C09-241	Substation Component Changeouts	300	0	0	300	20,000	20,000	3,500	1,500	5,400	50,400
C09-242	Overhead Unplanned Replacement	0	10	0	10	1,000	70,000	250	500	8,610	80,360
C09-243	U/G Secondary Cable Unplanned Replacement	0	1,300	0	1,300	85,000	15,000	20,000	70,000	22,800	212,800
C09-244	U/G Primary Cable Unplanned Replacement	0	650	0	650	55,000	38,000	13,000	40,000	17,520	163,520
C09-250	Delta Wye Conversions	0	150	0	150	8,000	15,000	2,000	21,500	5,580	52,080
C09-274	MS# 5 Relays	2,100	40	0	2,140	140,000	0	16,000	5,000	19,320	180,320
C09-275	MS#10 Relays	2,100	40	0	2,140	140,000	135,000	16,000	5,000	35,520	331,520
C09-281	Substation Breaker Replacement	120			120	8,000	175,000	2,000	0	22,200	207,200
C09-282	Substation Containment	0	160	0	160	10,000	10,000	800	0	2,496	23,296
C09-283	Rebuild Farewell - Wentworth	0	1,500	0	1,500	110,000	157,500	18,000	36,000	38,580	360,080
Total Enhancement - Budget		5,400	19,057	0	24,457	1,678,300	2,342,143	387,950	1,051,143	655,144	6,114,680

- i) *Please describe how OPUCN identified the \$1,703,249 in capital project spending that it considered to be discretionary and/or included in the approved rate base (per reference (i)).*

Please see the response to Board Staff question 1 (a) for a detailed description of the capital spending carried over from 2008.

2009 3GIRM Revenue Requirement Adjustment

Question #6

Reference: *Oshawa PUC's 3GIRM Supplementary Filing Module*

- a) *Please confirm that the Supplementary Filing Module does not apply the ½ year rule to either the rate base impact or the depreciation impact of incremental capital spending.*

The Supplementary Filing Module does not apply the ½ year rule to either the rate base impact or the depreciation impact of incremental capital spending.