



***PUBLIC INTEREST ADVOCACY CENTRE
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February 23, 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)
EB-2007-0776
Newmarket – Tay Power Distribution Limited – Newmarket Service Area –
2008 Electricity Distribution Rate Application**

Please find enclosed the second round interrogatories of the Vulnerable Energy Consumers Coalition in the above-noted proceeding.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

Newmarket-Tay Power Distribution Ltd. (Newmarket-Tay)
2008 Electricity Rate Application
(Newmarket Service Area)
Board File No. EB-2007-0776

VECC's Interrogatories
(Round #2)

Question #41

Reference: VECC#1 b)

- a) Is Newmarket acting as the delivery agent and/or supporting the OPA's delivery of the ERIP and Power Blitz programs in its service area?
- b) Why does Newmarket require a deferral account as opposed to simply seeking a Lost Revenue Adjustment after the fact as is currently provided for by the Board?
- c) If granted approval for the lost revenue deferral account, what information will Newmarket provide to support the lost revenue when it seeks disposition of the account. Will the information provided be similar to that required to support a Lost Revenue Adjustment Mechanism and, if not, why not?
- d) Please provide Newmarket's best estimate as to when the IESO is likely to start charging for the Provincial Meter Data Repository.
- e) Does Newmarket have any basis for assuming that it will be charged for the MDMR before other LDCs are? If so, please provide.

Question #42

Reference: VECC #2 a)
Exhibit 4, pages 103-104

- a) With reference to the OM&A accounts listed on pages 103 and 104, please indicate which accounts involve activities/costs that are shared with the Tay service area. For such account, please indicate the 2008 costs "allocated" to Tay.

Question #43

Reference: VECC #5

- a) The Application states “the above changes (including moving the transformer allowance credit to \$0.70 / kW) have the effect of ... and increasing the ratios of other classes”. The original question was asking why this was the case (i.e., why increasing the transformer allowance credit and spreading the decrease in revenue other customer classes as the Application states) would result in an increase in those classes’ revenue to cost ratios. Please explain.

Question #44

Reference: VECC #13

- a) Please provide a schedule that tracks the total capital spending for each “bolded” item in the 2008 Capital Budget Summary to the relevant USOA accounts and, then, show the total planned 2008 capital spending by USOA account.
- b) Please provide break down of the 2006 and 2007 capital spending and capital in-service additions (if different) by USOA account.

Question #45

Reference: VECC #17

- a) Please confirm that the average usage values reported in response to part (b) are actual sales divided by average customer count. If not, what was the basis for the values?
- b) Please provide the actual year end and average 2008 customer count for each class.

Question #46

Reference: VECC #18

- a) Please update the 2008 budget for SSS Administration charge revenue based on the projected customer count.

Question #47

Reference: VECC #20

- a) In each case, the explanations provided for the significant increases in 2008 make reference to historical spending levels. However, the projected 2008 values are all higher than the historical average quoted and higher than past spending in 2006 or 2007. Please justify the 2008 spending levels projected for Accounts #5035, #5095 and ##5114.

Question #48

Reference: VECC #21
Exhibit 3.3.1, page 96

- a) Why isn't Newmarket recording the OM&A costs associated with smart meters in Account #1556. Similarly, why isn't Newmarket recording its smart meter-related capital costs in Account #1555?
- b) With respect to VECC #21 (g), please provide a break down of the interest earned for 2008 per Exhibit 3.3.1 and, in doing so, specifically show the interest income on customer deposits held by Newmarket component.

Question #49

Reference: VECC #22

- a) Please confirm that the dollar values quoted in the response to part c) are for 2008.
- b) Does the Application assume Newmarket will incur any external expenses (consultants, legal fees, etc.) in 2008 related to preparation of the Rate Application? If so, please itemize.

Question #50

Reference: VECC #30

- a) The Board's Decision on Regulatory Assets (December 2004) approved specific allocation methodologies for allocating the regulatory balances in various accounts to customer classes. For example, the RSVA Power Account is allocated to customer classes based on kWhs. Please re-do the allocation to customer classes using the Board's prescribed methodologies.

Question #51

Reference: VECC #32 b)

- a) Please provide the revised Cost Allocation Run as originally requested.

Question #52

Reference: Board Staff #30 a)

- a) Since the year end customer count is higher than the annual average (i.e., 24,569 vs. 24,319) one would expect average use to be higher if the average customer count for the year is used in the denominator. However, this is not the case in the response. Please reconcile and explain how the 9,862 average use value was determined..

Question #53

Reference: General

- a) Please provide a schedule that lists all of the corrections and changes to the 2008 Service Revenue Requirement and the resulting Deficiency based on the responses to the first and second round interrogatories. For each change/correction, please provide a cross reference to the relevant interrogatory.
- b) Based on the changes and corrections from part (a) please provide an updated version of the following schedules from the original Application:
 - Schedule 1.2.3 (page 46)
 - Schedule 1.2.4 (page 47)
 - Schedule 2.1.2 (page 57) – Year End and Average Values
 - Schedule 4.3 (page 119)