



**PUBLIC INTEREST ADVOCACY CENTRE**  
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March 6, 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-2008-0241 Peterborough Distribution Inc. – 2009 Electricity Distribution**  
**Rate Application**

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

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC  
Encl.

**Peterborough Distribution Inc. (Peterborough)**

**2009 Electricity Rate Application**

**Board File No. EB-2008-0241/0242/0243**

**VECC's Interrogatories – Round #2**

**Question #25**

**Reference:** i) VECC #1 a) - c)

- a) Please confirm whether the same volumes were used to calculate the two distribution revenue values (\$13,627,922 and \$14,134,398) and whether all that changed was the rates used (i.e., 2008 vs 2009 for 1/3 of the year). If not please explain more fully the basis for the \$12,350,793 value quoted in response to part (b).
- b) The response provided did not address part (b) of the original interrogatory. Please provide a schedule that set out the rates, billing parameters and revenues for each customer class that reconcile with the revenue of \$14,134,398. Furthermore, with respect to the rates used, please clarify whether the rates:
  - Include the smart meter rate adder
  - Include the LV charge adder
  - Allow for the reduced revenues due to the transformer ownership allowance discount.
- c) Please provide a schedule that shows 2009 revenue for each class assuming the 2009 billing parameters and 2008 rates. The schedule should include the billing parameter values and rates applicable to each class and the 2008 rates used should be as follows:
  - Exclude the smart meter rate adder
  - Exclude the LV charge adder
  - Allow for the reduced revenue due to the transformer ownership allowance discount.

**Question #26**

**Reference:** i) VECC #3 b)  
ii) Board Staff #21 c)

- a) The response to (i) states that the difference between the two values is losses. Board Staff #21 c) sets out the loss factors used. How were these loss factors established?

**Question #27**

**Reference:** i) VECC #3 c) & d)

- a) From the response to VECC #3 d), the 2002 kWh for the Large Use rate class are materially less than any of the subsequent years. Why is it reasonable to include 2002 values in the calculation of the average use for this class for purposes of forecasting 2008 and 2009 use.

**Question #28**

**Reference:** i) VECC #8 a)

- a) Please provide a schedule that shows precisely how the revenue proportions used in Column E were derived from the results of the cost allocation study and precisely what adjustment was made for the transformer ownership allowance.

**Question #29**

**Reference:** i) VECC #9 a) & b)

- a) Please explain how the weighted average monthly service charge and volumetric charge is determined for each class.
- b) Please provide a schedule that sets out the kW for each class that are eligible for the transformer ownership allowance discount in 2009.

### **Question #30**

**Reference:** i) VECC #9 c)

- a) Please confirm that the Cost Allocation study filed as Exhibit 8, Tab 1, Schedule 2, Appendix A is for PDI's entire service area including the Asphodel-Norwood and Lakefield service areas.

### **Question #31**

**Reference:** i) VECC #10 a)

- a) Please indicate the basis for the Jan-April and May-Dec rates for each class shown in the response.
- b) Please provide a schedule that sets out the LV charges that PDI would pay HON based on
  - a. 2007 LV usage and Hydro One Networks recently approved (January 2009) LV charges
  - b. 2008 LV usage and Hydro One Networks recently approved (January 2009) LV charges.

### **Question #32**

**Reference:** i) Board Staff #23 a)

- a) Please confirm that the results in part (ii) were derived by applying the weather correction factors in part (iii) to the actual loads as shown in part (i).
- b) Please provide a schedule setting out the actual customer count by class for the most recent month available.

### **Question #33**

**Reference:** i) VECC #15 a) and b)

- a) The table provided in the response to 15 a) indicates that "the total labour costs charged by PDI's service provider" for 2008 were (or were forecasted at January 30, 2009 to be) \$6,786,224. Please confirm that these costs were or will be charged to PDI. If unable to so confirm, please explain.

- b) Please confirm that the 2008 Bridge Year labour costs of \$6,786,224 represent an increase of \$610,378 or 9.9% over the actual 2007 labour costs of \$6,175,846 and provide a rationale for such an increase.
- c) Asked to indicate how separate adjustments for inflation and increased labour costs were calculated and applied in deriving the 2008 and 2009 O&M costs, PDI stated (part b)) that *“3% inflation was used, as 80% of operating and maintenance expenses are labour-related. The current PUSI contract includes a 3% labour increase.”* Please explain how this response is consistent with the 9.9% increase in labour costs charged by PDI’s service provider.

**Question #34**

- Reference:**
- i) VECC #15 a)
  - ii) Exhibit 4/Tab 2/Schedule 1

- a) The response to VECC #15 a) indicates a total labour cost charged by PDI’s service provider of \$6,952,581 for 2009. Exhibit 4/Tab 2/Schedule 1 indicates that, excluding amortization expenses and taxes other than income taxes, total OM&A expenses for 2009 are \$6,711,606, i.e., the 2009 total OM&A is less than the labour charges from PUSI. Please show how the information in the table provided in VECC #15 a) can be reconciled with the information provided in Exhibit 4/Tab 2/Schedule 1.

**Question #35**

- Reference:**
- i) VECC #22 d) and e)

- a) For each year of the period 2006-2009 inclusive, please show how the total costs allocated to PDI shown in part a) can be reconciled with the Shared Services Costs allocated to PDI in part e).

**Question #36**

- Reference:**
- i) VECC #22 d)
  - ii) Exhibit 4/Tab 2/Schedule 4 pages 5 and 6

- a) For each year 2006-2009 inclusive, please explain how the total charges from PUSI to PDI provided in the response to VECC #22 d) can be reconciled with the pre-filed information at Exhibit 4/Tab 2/Schedule 4 pages 5 and 6.

**Question #37**

**Reference:** i) VECC #17 b), Attachment C, 2007 Annual Report  
ii) Exhibit 1/Tab 3/Schedule 5, Appendix A, 2006 Annual Report

- a) Please indicate what happened to the collection agency, Premier Receivables Management Ltd., which the 2006 Report shows as being owned by PUSI.
- b) Please provide the impacts, if any, of its divestment/dissolution on PDI and its ratepayers.

**Question #38**

**Reference:** i) Board Staff #29

- a) Please provide a detailed breakdown of the \$100,000 that PDI has forecasted for this Application, breaking out hearing costs, other legal expenses, consulting expenses, etc.

**Question #39**

**Reference:** i) Board Staff #34 b)

- a) Please provide an update to the response to the initial interrogatory.

**Question #40**

**Reference:** i) Board Staff #40 d) and e)

- a) Please confirm that the additional debt that PDI refers to in part d) is described in part e). If unable to so confirm, please provide details in respect of the debt incurred by PDI in December 2008.