

**Board Staff Interrogatories**  
**Recovery of Payments in Lieu of Taxes**  
**Espanola Regional Hydro Distribution Corporation**  
**EB-2009-0056**

**Notice of Objection**

*Ref.: Rate Application for recovery of PILs, Page 11 of 33*

1. Espanola Regional Hydro Distribution Corporation ("ERHDC") identifies that they have filed a notice of objection with the Ministry of Finance dated August 1, 2006.
  - a. Please provide a brief history of events that have taken place between August 1, 2006 and now between ERHDC and the Ministry of Finance with respect to the notice of objection.
  - b. Please provide a copy of the notice of objection and all communications to current between ERHDC and the Ministry of Finance with respect the notice of objection.
  - c. Does ERHDC anticipate a successful resolution with The Ministry of Finance with respect to the notice of objection?

**PILs Calculation**

*Ref.: Rate Application for recovery of PILs, Page 18 of 33*

2. ERHDC has estimated that the 2008 Cost of Service would have calculated the grossed up PILs amount of \$29,101 based on Regulatory Taxable Income of \$147,268.
  - a. Did ERHDC include the Regulatory Taxable Income amount of \$147,268 in the 2009 3<sup>rd</sup> GIRM Supplementary Filing Module sheet F1.1 Z-Factor Tax Changes?
  - b. If ERHDC has not included the Regulatory Taxable Income amount of \$147,268 in the 2009 3<sup>rd</sup> GIRM Supplementary Filing Module sheet F1.1 Z-Factor Tax Changes please provide a calculation of the amount of tax sharing that should have been returned to the rate payers. If any amount is owing, how does ERDHC intend to return this amount to its ratepayers?

**Summary of Application**

*Ref.: Rate Application for recovery of PILs, Page 32 of 33*

3. Item 3 of the summary discusses the fact that ERHDC had actual taxable income in 2008 and paid PILs in 2008.
  - a. Please confirm that ERHDC is not intending to seek recovery of taxes paid in 2008.