April 27, 2009

BY EMAIL & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2008-0246
Tillsonburg Hydro Inc. – 2009 Rates Rebasing Application
Energy Probe Round Two Interrogatories

Pursuant to Procedural Order No. 3, issued by the Board on April 23, 2009, Energy Probe Research Foundation (Energy Probe) encloses two hard copies of its Round Two Interrogatories of Tillsonburg Hydro Inc. An electronic version of this communication will be filed in PDF format.

Energy Probe circulated the enclosed Round Two Interrogatories to the Applicant and interested parties on April 23rd to provide Tillsonburg Hydro with an early start on its Responses.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc: Steve Lund, Tillsonburg Hydro Inc. (By email)
Bryan Drinkwater, Tillsonburg Hydro Inc. (By email)
Randy Aiken, Aiken & Associates (By email)
Intervenors of Record (By email)

Energy Probe Research Foundation 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6
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EB-2008-0246

Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, (Schedule B);

AND IN THE MATTER OF an Application by Tillsonburg Hydro Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2009.

SECOND ROUND INTERROGATORIES OF ENERGY PROBE RESEARCH FOUNDATION ("ENERGY PROBE")

April 23, 2009

TILLSONBURG HYDRO INC.
2009 RATES REBASING CASE
EB-2008-0246

ENERGY PROBE RESEARCH FOUNDATION
SECOND ROUND INTERROGATORIES

Interrogatory # 36

Ref: Response to Energy Probe Interrogatory # 27

The response indicates that all of the CIS projects costs have been allocated to THI.

a) **Will the new CIS be used for water and sewer billing?**

b) **Will there be any benefits to the Town, such as lower ongoing support and maintenance costs associated with the new CIS?**

Interrogatory # 37

Ref: Response to SEC Interrogatory # 13a & Energy Probe # 29c

a) **Please provide the specific reference in the Board's Affiliate Relationships Code for which THI was not in compliance before it increased the number of members of the Board of Directors.**

b) **What was the composition of independent and affiliate Board members prior to the expansion from 7 to 9 members?**

c) **What is the total cost included in the 2009 revenue requirement associated with the Board of Directors?**

d) **Please provide the total compensation for the Board of Directors in each of 2006 through 2008, along with the number of Directors for each of those years. Please indicate whether the 2008 cost is an actual or forecast figure.**

Interrogatory # 38

Ref: Response to SEC Interrogatory # 13c

Part (ii) of this question does not appear to have been answered. Has the new Operations Regulatory Affairs Manager position been filled, and if so, when? If not, why does THI expect that it will be filled?

Interrogatory # 39

Ref: Response to Energy Probe Interrogatory # 28

The response indicates that there is a Management Fee of $11,550 included in the costs associated with the filing and defending of the rates application. Further this management fee appears to be 5% of the total of the consulting costs, OEB costs and intervenor fees which total $231,000.

a) **Please explain why there is a management fee added to these third party costs.**

b) **Why would the management costs associated with the rates rebasing application not be considered part of the wages and salaries allocated to THI as shown in the response to Energy Probe Interrogatory #2, and specifically to the 0.73 allocator associated with the Finance Regulatory Affairs Manager?**

Interrogatory # 40

Ref: Response to Energy Probe Interrogatory # 32d

The revenue to cost ratio for the street lighting class appears to be high at 342% relative to the filings of other distributors rebasing in 2008 and 2009. Those revenue to cost ratios are often significantly less than 70% for other distributors.

a) **Is THI confident that costs have been allocated correctly to the street lighting class (customers vs. connections, kW, kWh, etc.)? Did THI use the number of connections or the number of customers for the street lighting class in the cost allocation model?**

b) **In particular, are the total expenses of less than $8,000 and total net plant of less than $28,000 allocated to the street lighting class shown in Exhibit 8, Tab 1, Schedule 1, Attachment A.1 reasonable?**