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BY E-MAIL

June 22, 2009

Board Secretary
Ontario Energy Board
2300 Yonge Street, Ste. 2701
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Board Staff Interrogatories
2009 Distribution Rate Rider Application
North Bay Hydro Distribution Limited
Board File No. EB-2009-0113**

In accordance with Procedural Order No. 1, please find attached Board staff interrogatories in the above proceeding. Please forward the following to North Bay Hydro Distribution Limited and to all other registered parties to this proceeding.

Sincerely,

Original Signed By

Silvan Cheung
Advisor – Applications & Regulatory Audit

Attachment

Board Staff Interrogatories
2009 Distribution Rate Rider Application
North Bay Hydro Distribution Limited ("North Bay")
EB-2009-0113

1. Please provide a detailed explanation demonstrating how the unbilled revenue adjustment error in 2004 resulted in an understatement of the December 31, 2004 balance in Account 1588, Power. Please include all relevant accounting entries.
2. Ref: Appendix D of North Bay's application, Final Report to North Bay Hydro for Retail Settlement Variance Accounts, (the E360 report):
 - a) Regarding Appendix A to E of the E360 report, under the columns named "Recovery" and "Int. Recovery", please confirm that the identified recovery amounts are those amounts that were approved by the Board as part of the 2006 EDR process.
 - b) Please explain why North Bay did not offset the re-posted variances with the actual recoveries in each of the applicable time periods.
 - c) Please provide a revised continuity schedule, as per Appendix A to E, showing actual recoveries during the effective period of the regulatory asset rate riders (both interim and final).
 - d) Please explain the variance, if any, between the Board approved RSVA amounts in 2006 EDR (RP-2005-0020/EB-2005-0397) and the amounts stated in Appendix A to E (re-posted balances). Please also explain the reasons for these variances.
3. According to North Bay's application, there appear to be three types of accounting errors which have resulted in the RSVA balances that North Bay is now requesting for disposition:
 - a) unbilled revenue adjustments
 - b) the mis-application of charge type 142
 - c) the incorrect calculation of carrying charges
 - i. Please confirm that these three factors are the sources of the errors which resulted in North Bay incorrectly calculating its RSVA balances.
 - ii. Please quantify what portion of the amount requested for disposition is attributable to each factor.

4. The following table was prepared by Board staff from information in the evidence provided in Appendix D of North Bay's application in order to determine the following principal balance breakdown for North Bay's RSVA accounts.

		Table 1				
Principal		Re-posted Balances				
Account #	Description	As of Dec. 31, 2004	Jan.1, 2005 - Dec.31, 2007	Jan.1, 2008 - Dec.31, 2008	Recovery	Total Principal
		(A)	(B)	(C)	(D)	(E)=(A)+(B)+(C)-(D)
1580	RSVAWMS	\$558,212.76	-\$1,125,854.83	-\$338,065.40	\$422,073.00	-\$1,327,780.47
1582	RSVAOne-time	\$209,948.00	\$35,069.84	\$0.00	\$212,321.00	\$32,696.84
1584	RSVANW	-\$22,972.52	-\$98,339.06	-\$277,352.85	-\$111,499.36	-\$287,165.07
1586	RSVACN	-\$192,467.13	-\$222.70	-\$17,645.48	-\$260,926.00	\$50,590.69
1588	RSVAPower	\$2,373,316.98	\$708,461.54	\$610,442.25	\$49,986.57	\$3,642,234.20
Total		\$2,926,038.09	-\$480,885.21	-\$22,621.48	\$311,955.21	\$2,110,576.19

Please confirm that North Bay agrees with the figures presented in Table 1. If North Bay does not agree with any figures in the above table, please explain why not and submit a corrected table.

5. The following table was prepared by Board staff from the evidence provided in Appendix D of North Bay's application in order to determine the carrying charges breakdown for the RSVA balances.

		Table 2				
Carrying Charges		Re-posted Balances				
Account #	Description	As of Dec. 31, 2004	Jan.1, 2005 - Dec.31, 2007	Jan.1, 2008 - Dec.31, 2008	Recovery	Total Carrying Charges
		(A)	(B)	(C)	(D)	(E)=(A)+(B)+(C)-(D)
1580	RSVAWMS	\$93,752.42	\$37,515.08	-\$45,330.01	\$194,880.39	-\$108,942.90
1582	RSVAOne-time	\$18,580.30	\$24,431.78	\$1,301.33	\$40,135.36	\$4,178.05
1584	RSVANW	\$2,275.20	-\$3,628.34	-\$8,040.67	\$34,312.15	-\$43,705.96
1586	RSVACN	-\$11,699.87	-\$28,989.54	\$1,254.57	\$1,079.76	-\$40,514.60
1588	RSVAPower	\$297,741.01	\$489,055.01	\$129,995.68	\$808,555.04	\$108,236.66
Total		\$400,649.06	\$518,383.99	\$79,180.90	\$1,078,962.70	-\$80,748.75

Please confirm that North Bay agrees with the figures presented in Table 2. If North Bay does not agree with any figures in the above table, please explain why not and submit a corrected table.

6. Please provide a breakdown of the table listed on page 8 of the Manager's summary by year from 2002 to 2008.

7. North Bay's Manager's Summary at pages 7 and 8 of 15, paragraph 16(m) indicates that North Bay had overstated the carrying charges on the RSVA account balances by \$1,276,089, and that this was corrected by E360 in their recalculation. Please provide a detailed discussion explaining the methodology and calculations that explain how and why this large initial overstatement occurred and how an overstatement led to an understatement of the variance in account 1588.
8. Please discuss how a later implementation date than July 1, 2009 would impact North Bay's recovery proposal.