

**Board Staff Interrogatories
Orangeville Hydro Limited
2010 Electricity Distribution Rates
EB-2009-0272**

Rate Base

1. Distribution Plant

Refs: Exhibit 2 / 2 / 3 / pp. 2, 10, and 16; Exhibit 2 / 3 / 2 / pp. 1 and 9

Please provide a summary table showing for each year 2006 – 2010 the total project cost for each category under Distribution Plant, together with the percentage breakdown of Distribution Plant by category. (For example, in 2009 Substation category cost of two projects was \$117,828, which relative to Distribution Plant expenditure of \$1,292,828 is 9.1%.)

2. In-Service Dates

Ref: Exhibit 2 / 3 / 2 / p. 1

Why are the Regulatory projects on William Street and Hansen Street included in the 2009 table on this page, rather than with the other projects with 2010 in-service dates on page 9?

3. 2010 Capital Expenditures

Ref: Exhibit 2 / 3 / 2 / p. 9

The table on p. 9 appears to be missing its heading and an unknown number of rows at the bottom. Please provide a complete version of the table.

4. In-Service Date of Wholesale Meter Upgrade

Ref: Exhibit 2 / 3 / 2 / p. 14

- a. The in-service date for the wholesale meter transformers is approximately 18 months from the purchase order. The description of early stages of the project, eg. a site visit, are described in the future tense, which would seem to indicate an in-service date after 2010.
- b. Is the capital cost of this project included in the 2010 rate base? If so, please provide an explanation or justification for including it.

5. 2010 Green Energy projects

Refs: Exhibit 2 / 2 / 1 / p. 5; Exhibit 2 / 3 / 2 / p. 14-15

There are four projects listed under the heading of Green Energy, totalling approximately \$330,000.

- a. Does any portion of the expected Contributed Capital in 2010 arise from these projects? If so, how much?
- b. What will the amortization period be for these projects?
- c. Are these projects included in the Fixed Asset Continuity Table (the first reference)? If so, which row(s) are they in, and what is the CCA class?

6. Guidelines for Distribution System Planning

Refs: Exhibit 2 / 3 / 2 / pp. 15-16; OEB Guidelines 'Deemed Conditions of Licence: Distribution System Planning' (G-2009-0087)

Four projects are listed in the second reference as 2010 Green Energy Act projects: remote sensors, large renewable connections, MicroFIT enablement, and the optimization study. The Board's Guidelines 'Deemed Conditions of Licence: Distribution System Planning' at p. 12 says that smart grid activities should be incremental to on-going or planned activities that are included in rates or approved capital budgets.

Please include a more detailed description of the remote sensors and the optimization study projects, with particular attention to whether either or both of these projects would have likely been undertaken by Orangeville Hydro in the course to upgrading its distribution system, even in the absence of the Green Energy Act.

7. Computer Software

Refs: Exhibit 2 / 2 / 3 / p. 20; Exhibit 2 / 3 / 2 / pp. 7 and 17; Exhibit 2 / 3 / 3 / Appendix A / p. 5 and 6

The Harris CIS System project described at p. 20 in the first reference and at p. 7 of the second reference sum to approximately \$210,000. Additional cost of software at \$118,780 is described at p. 17 of the second reference. The capital cost to Orangeville Hydro and Grand Valley Energy Inc. described in the presentation at p. 5 is \$259,300.

- a. Please reconcile the above cost numbers, concerning the planned timing and amounts.
- b. Has the project realized the benefits and costs described in the presentation? In particular, is some or all of the 2010 planned expenditure intended to complete the project described in the presentation?

- c. Is the capital expenditure on the Harris CIS System expected to be complete as of 2010, or is there expected to be additional capital expenditure?
- d. Has there been any saving realized as a result of other distributors using the system, as described at p. 6 of the Appendix under the heading "File Nexus – Co-op Model"?

Working Capital Allowance

8. Transmission Cost Forecast

Ref: Exhibit 8 / 1 / 3 / p. 2, Table 10

Orangeville Hydro has provided detailed costs of Network and Connection Service in 2007 and 2008.

Please provide a similar cost estimate for 2010, consistent with the load forecast. Please show the derivation of the 2010 cost estimate, using the currently approved Uniform Transmission Rates for the portion that is forecast to be purchased from the IESO, and currently approved Hydro One Retail Transmission Service Rates for the Sub-Transmission class for the portion that is forecast to be purchased from the host distributor.

9. Low Voltage Cost Forecast

Ref: Exhibit 8 / 1 / 1 / p. 9

It would be convenient to have documentation and a table showing the derivation of the forecast Low Voltage cost of \$200,513. Please ensure that the table shows clearly the forecast billing loads, and that the documentation explains how Hydro One Rate Rider # 4 is factored into the cost forecast if at all.

10. Transmission and LV Costs in the Working Capital Allowance

Ref: Exhibit 2 / 4 / 1 / Appendix C / p. 2

Orangeville Hydro's forecast of the cost of power includes two components for transmission cost and a component for low voltage cost. All of these components appear to be based on forecast revenue that will come to Orangeville Hydro under the requested rates rather than the forecast cost to Orangeville Hydro. It will be difficult to update the cost of power in the existing format if any of the rates change prior to the issuance of Orangeville Hydro's Rate Order.

In place of the revenue forecasts, please substitute the cost forecasts derived in the previous two interrogatories in the calculation of the working capital allowance.

Load Forecast

11. Summary of Operating Revenue

Ref: Exhibit 3 / 1 / 2 / 'Summary of Operating Revenue Table'

Is revenue from Grand Valley Energy Inc. included in this table? If so, is it included in all years, or only the more recent years?

12. Weather Variables in the Regression Model

Ref: Exhibit 3 / 2 / 1 / p. 2

The effect of Cooling Degree Days (CDD) may be increasing over time as air conditioning becomes more predominant year-by-year. The effect of Heating Degree Days (HDD) may be decreasing as gas is substituted for electric space heating.

Did OHL estimate any version(s) of the regression model in which the effect of HDD and CDD could change over the historic period? If so, please describe the model and why it was not used. If not, why was only linear version used?

13. Weather Normalization

Ref: Exhibit 3 / 2 / 1 / p. 3

OHL has used the 10-year averages of (HDD) and Cooling Degree Days (CDD), rather than alternatives such as 20 years or a more recent period such as 5 years.

- a. Please provide the 20-year average of Heating Degree Days (HDD) and the 10-year average used by OHL in its forecast. Please also provide the 20-year and 10-year averages of Cooling Degree Days (CDD). (The average of the annual sums would perhaps be preferable to month-by-month averages.)
- b. Please show how these averages are used to derive the difference of 1,297,166 kWh, which is mentioned at line 2 of the referenced page.

14. Dependent Variable

Ref: Exhibit 3 / 2 / 1 / p. 7; and p. 21 'Summary of Forecast Data'

Does the dependent variable 'OHL Monthly Predicted kWh Purchases' in the regression model include purchases by Grand Valley Energy Inc throughout the period? If not, please describe how the amounts in the referenced table are reconciled with the forecast model.

15. Population in the Regression Model

Ref: Exhibit 3 / 2 / 1 / p. 7

The coefficient of “Population” in the forecast model is 550. Please confirm the interpretation of this coefficient, that the model predicts that OHL will purchase 550 kWh per month, plus a factor for losses, for an increase of 1 person in the population, assuming all other factors are held constant.

16. Population Data

Ref: Exhibit 3 / 2 / 1 / Appendix A

Orangeville’s population is shown as growing by 9 or 10 people per month during 2006, slowing to 4 – 6 per month in 2008, and then assumed to increase by only 2 – 3 per month in 2010. The source of population data is described at p. 7 as Census data.

- a. Please describe how frequently the census population data is actually updated for Orangeville, together with how the 2010 population forecast was derived to use in the 2010 forecast of kWh purchases.
- b. Please describe the steps that OHL took to ensure that its population forecast was realistic. For example, is the 2010 population forecast used by OHL generally consistent with forecasts from other sources, such as regional forecasts from provincial or private forecasting agencies? Is the forecast generally consistent with the assumptions used by other entities in Orangeville, such as a local planning authority?

17. Forecast of Number of Customers

Ref: Exhibit 3 / 2 / 1 / p. 4, Table 2

OHL’s 2010 load forecast is based on the assumption that the number of General Service customers will increase slightly from 2008 to 2009 and then remain constant.

- a. Is this assumption consistent with other forecasts, such as a local planning agency?
- b. Please provide a brief description of alternative forecast(s) if applicable.

18. Forecast Usage by Residential Customers

Ref: Exhibit 3 / 2 / 1 / p. 5, Table 3, and p. 11

OHL is forecasting a decrease of 2.5% in usage per residential customer in both 2009 and 2010, which seems quite substantial. The effect of CDM programs is cited at p. 11 as a factor.

- a. Are there other factors besides CDM that support the forecast of decreased usage per customer?
- b. Has OHL done a survey of CDM program participants, or some other study, to support the assumption that participation rates will be high enough and the effect on consumption will be large enough to have such a large downward impact on OHL's load? If so, please describe the survey or study.
- c. Is the decrease of 2.5% assumed to be cumulative, ie slightly more than 5% after two years, or is the assumption that the decrease occurs only once (at the beginning of 2009)?

19. Blackout Flag Variable

Ref: Exhibit 3 / 2 / 1 / p. 8

Was the "blackout flag" variable applied to a single month, or to more than one month? If the latter, please describe how it was used.

20. Manual Adjustment to the Load Forecast

Refs: Exhibit 3 / 2 / 1 / p. 10 'Manual Adjustment to Forecast'; Exhibit 3 / 2 / 1 / p. 21 'Summary of Forecast Data'

- a. The manual adjustment in the final column, second row, appears to be not the same adjustment as is explained at p. 10, Table 6. Which one is correct?
- b. If the amount in Table 6 is correct, please make the required adjustment to the affected class(es) in the referenced table.

21. Summary of Forecast Data

Ref: Exhibit 3 / 2 / 1 / p. 21 'Summary of Forecast Data'

The '% Difference' in the 2010 column appears to be approximately 3.7%.

- a. How is the row '% Difference' calculated?
- b. Should the % Difference be the same as the loss adjustment derived at p. 12, Table 7, i.e. 3.43%? Please provide a brief explanation.

Operating Costs

22. Inflation Rate

Ref: Exhibit 4 / 2 / 3 / pp. 6 and 9

Please describe the source document(s) that Orangeville Hydro used for its inflation rate forecasts of 2.6% for 2009 and 2.3% for 2010.

23. MicroFIT Preparations

Ref: Exhibit 4 / 2 / 3 / p. 8

It appears that the cost of contractors is expected to be maintained for a number at a level of \$140,000 per year more than during previous years, beginning in the test year.

- a. How has Orangeville Hydro arrived at its forecast of \$60k for the MicroFIT settlement expenses, eg. have competitive bids been sought and obtained?
- b. Please confirm that item ii) the cost of settling MicroFIT accounts is expected to be an expense of \$60k in 2010 followed by continuing expenditures of \$10k for a number of years.
- c. Are any of these expenses associated with the MicroFIT program expected to be recovered from the interim rate for embedded micro generators approved by the Board on September 21, 2009? Please explain.

24. MicroFIT costs in Green Energy Plan

Refs: Exhibit 4 / 2 / 3 / p. 8; Addendum:Green Energy Plan / 'Budget and Resources', p. 38

Please provide a more complete explanation of the scope of work by contractors during the test year, to understand the extent to which an enhanced customer information system is required to accommodate MicroFIT projects, and the extent to which enhancements may be required for other purposes even in the absence of the Green Energy Plan.

25. Executive Salaries and Expenses

Ref: Exhibit 4 / 2 / 3 / p. 12

Please provide a breakdown to show how account 5605 'Executive Salaries and Expenses' increases from the 2008 actual amount of \$250,260 to a test year forecast of \$386,005, i.e. how much is inflation, how much is the items described on pp. 18 and 21, and how much of the increase consists of other costs if any.

26. Training and Development

Ref: Exhibit 4 / 2 / 3 / p. 21

Is the cost of seminars and training in account 5605 an expense only in the test year, or an expense primarily in the test year but continuing in subsequent years, or is it a sustained annual amount?

27. CDM and Marketing Costs

Ref: Exhibit 4 / 2 / 3 / p. 21-22; Addendum: Green Energy Plan / pp. 24-27

- a. Please describe the 2010 cost drivers in more detail, in order to show the extent to which Goal 3 “Evolution of CDM” and Goal 4 “Marketing Campaign” are accommodated in Orangeville Hydro’s revenue requirement.
- b. Please confirm that the test year revenue requirement does not include any cost for an alternative-fueled green vehicle, as described at p. 27.

28. LEAP

Ref: Exhibit 4 / 2 / 3 / p. 23

Orangeville Hydro states that its account 5410 ‘Community Relations’ includes a component for LEAP (Low-Income Energy Assistance Program), which can be calculated at approximately \$6400 as a pre-determined percentage of the revenue requirement.

Is any portion of this cost intended for an existing on-going program, or is the amount intended only for a new initiative that would begin in 2009 or 2010?

29. OEB-initiated Costs

Exhibit 4 / 2 / 3 / p. 24, Table 7

Please provide a description of the costs in the third row of the table, which are incurred due to OEB section 30 costs.

30. Affiliate Services

Ref: Exhibit 4 / 2 / 4 / p. 1

The references to tables at lines 4 and 9 appear to be inaccurate or incomplete. Please verify that the references are accurate or make any necessary updates.

31. Billing System Costs

Ref: Exhibit 4 / 2 / 5 / p. 3

Orangeville Hydro has projected payments to Harris Computer Systems of \$130,826 in 2009 and \$133,835 in the test year.

- a. Please list the account(s) where these expenditures are recorded.
- b. Please confirm whether or not purchases of this nature are likely to be continued at this level in subsequent years.

Cost of Debt

32. Cost of Long-Term Debt

Ref: Exhibit 5 / 1 / 3 / p. 1 'Table 2 – Cost of Long-Term Debt'

In order to understand the proposed weighted cost of debt in this table:

- a. Please confirm that the loan from Scotiabank with a 10-year term has been paid off and does not affect the weighted cost of debt in this application.
- b. Please explain how the weighted cost of debt can be more than 6% when all components of the average are below 6%. Alternatively, please provide a recalculation of the weighted cost.

33. Interest Expense in the Revenue Requirement

Ref: Exhibit 5 / 1 / 3 / p. 1 'Table 2 – Cost of Long-Term Debt'; Exhibit 6 / 1 / 1 / p. 2 'Calculation of Revenue Deficiency or Surplus'

Considering that the cost of short term debt is not very large, please reconcile the interest cost in Exhibit 5, at \$441,495, with the Deemed Interest cost in Exhibit 6, at \$652,936.

Other Operating Revenues

34. Gains from Disposition of Property

Ref: Exhibit 3 / 4 / 1 / p. 1

Orangeville Hydro is proposing an amount of \$800 as the component for "Gains on Disposition of Utility and Other Property", which appears to be 50% of the account 4355 in 2010. The amount in this account during the bridge year, and in two of the previous three years, is considerably more than this amount.

Please explain why \$1600 is the appropriate amount to forecast for account 4355, rather than some larger amount such as the average over several previous years.

35. Typical Non-Operating Income

Ref: Exhibit 3 / 4 / 1 / p. 4, Table 3

- a. Please confirm that OHL retains the revenue in account 4375-2 'Water/Sewer Penalties', such that \$20,300 can be included in OHL's revenue offset.
- b. Please provide a brief description of the activities and transactions recorded in accounts 4355, 4360, and 4390, in 2008 Actual, 2009 Bridge, and 2010 Test., including comments on a stable amount for the longer term if applicable.

Cost Allocation

36. Output Worksheets

Ref: Exhibit 7 / 1 / 2 / Appendix B '2010 Updated Cost Allocation Study

Please provide a copy of the following pages without any of the data being obscured by the Instructions that the Adobe program has apparently misaligned on top of the Excel spreadsheet (perhaps by deleting the Instructions prior to re-printing):

- Sheet O1 'Revenue to Cost Summary Worksheet'
- Sheet O2 ' Monthly Fixed Charge Min. & Max Worksheet'

37. Energy and Demand Forecast Data Inputs

Ref: Exhibit 7 / 1 / 2 / Appendix B '2010 Updated Cost Allocation Study'; Cost Allocation Informational Filing EB-2006-0247

The Residential load factor assumed in the test year cost allocation differs from the amount provided by Hydro One for the Informational Filing.

- a. Please provide Sheet I6 'Customer Data' and I8 'Demand Data' from the Informational Filing.
- b. Please confirm that the data and calculations in the following table are correct, and that all the data are for weather-normalized loads. If necessary make appropriate corrections:

Residential Class	Informational Filing	2010 Updated Cost Allocation Study	Percentage Increase
	col. 1	col. 2	(col 2 / col 1) – 1.0

Annual Energy (kWh)	77,951,983	84,928,233	8.9%
Load on Secondary System (kW: SNCP4)	68,361	72,316	5.8%

- c. Please provide a brief explanation of any updated or additional information has been used in the updated cost allocation study, relating to the Residential class load profile, such that the energy would have grown by a larger percentage than the monthly peaks (as evidenced by the increased load factor in the final row of the table).
- d. Please describe any other load profiles that have been changed appreciably between the Informational Filing and the 2010 Updated study, with a brief justification for the changes.

Rate Design

38. Total Distribution Revenue

Ref: Exhibit 8 / 1 / 7 / p. 1

The table '2010 Test Year Distribution Revenue Reconciliation shows total revenue of \$5,206,475. This amount does not appear in the Calculation of Revenue Deficiency (Exhibit 6 / 1 / 1 / p. 2) nor in the cost allocation study (Exhibit 7 / 1 / 2 / Appendix B).

Please confirm that this amount equals revenue from Monthly Service Charges, volumetric Rates, and LV Charges, and excludes revenue from the Smart Meter Rate Adder and the Rate Riders. If not confirmed, please explain what is included in the reconciliation amount.

39. General Service > 50 kW Class

Ref: Exhibit 8 / 1 / 1 / p. 7

Orangeville Hydro suggests that the General Service > 50 kW class should be considered for a split into two classes, because the proposed Monthly Service Charge is high for the smaller customers in the current class.

- a. Does Orangeville Hydro have hourly load data from interval billing meters for the larger customers in the class? If so, for customers above what size, and for how many years have the interval meters been in place?
- b. Has Orangeville Hydro done any calculations that would show the load profile of a hypothetical class of larger customers?
- c. Has Orangeville Hydro done any calculations that would show the load profile of the hypothetical class of smaller customers (e.g. the profile of the whole class as provided by Hydro One for the Informational Filing,

prorated to the scale in the 2010 load forecast, and less the profile of the larger customers)?

40. Fixed:Variable Ratio of GS>50 kW Class

Ref: Exhibit 8 / 1 / 1 / p. 7; Exhibit 8 / 1 / 9 / Appendix A / p. 5

Orangeville Hydro suggests that it would be appropriate, in the case of the GS>50 kW class, to reduce the proportion of revenue derived from the Monthly Service Charge from 56.55% to 51.16%. However, the bill impact calculations show that the proposal is to increase the Monthly Service Charge by 44% and the volumetric rate by less than 18%. The same pattern holds for any customers in Grand Valley.

Please explain the apparent contradiction between reducing the proportion of revenue from the fixed charge, on the one hand, and increasing the fixed charge more than the volumetric charge on the other hand. Alternatively, please check the rate design calculations and make any necessary corrections.

41. Unmetered Scattered Load

Ref: Exhibit 8 / 1 / 9 / Appendix A / p. 7

Orangeville Hydro has calculated the bill impact of billing an Unmetered Scattered Load customer on a per-connection basis rather than per-customer as it does currently. The fixed portion of the bill on a customer with 57 connections is shown, and the effect is such that the impact on the total bill is 9.9%.

Does Orangeville Hydro have any customers with more than 57 unmetered connections that would be subject to the proposed monthly charge of \$6.40 per connection? If so, please indicate how many connections the largest customer has, and provide a bill impact scenario for a customer with that number of connections and a typical volume of consumption.

42. Specific Service Charges

Refs: Exhibit 1 / 1 / 5 / p. 2); Exhibit 3 / 3 / 1 / p. 1, Table 1 'Summary of Other Operating Revenue'

Orangeville Hydro has requested approval, in Exhibit 1, to continue with its Specific Service Charges as approved for 2009 and its forecast of revenue from Specific Service Charges is nearly unchanged in Exhibit 3. On the other hand, the proposed list of Specific Service Charges includes a number of new charges: request for other billing information, income tax letter, legal letter charge, collection of account charge – no disconnection – after regular hours, and two charges relating to load control devices. Similarly, a number of currently approved charges do not appear on the proposed tariff: pulling post-dated cheques, notification charge, credit reference, charge to certify cheque, and two charges relating to temporary services.

- a. Please identify any of the items in the foregoing lists of additions and deletions that may be simply name changes.
- b. For each other addition or deletion, please provide the rationale for the proposed list of Specific Service Charges.
- c. Please explain why the total revenue forecast is so little changed, and provide a discussion of whether any uncertainty about the revenue offset is mostly toward positive or negative.

43. Supply Facility Loss Factor

Ref: Exhibit 8 / 1 / 8 / p. 2, Table 15 'Supply Facility Loss Factor'

Please provide a breakdown of the amount of energy delivered to Orangeville Hydro together with Grand Valley Energy from Hydro One Transmission through the IESO, versus the energy delivered through the host distributor Hydro One Distribution.

Deferral and Variance Accounts

44. Audited Regulatory Assets

Refs: Exhibit 1/3/1/ Appendix F; Exhibit 9 / 1 / 1 / p. 5, Table 1; Exhibit 9 / 1 / 4 / Appendix A

Note 5 to the Orangeville Hydro Financial Statements shows net regulatory liabilities of (\$1,255,409), and Note 4 to the Grand Valley Energy Inc. Financial Statements shows net regulatory liabilities of (\$24,072), at December 31, 2008. The total of these amounts (\$1,279,481) does not match the total including interest shown in either of the other two references (\$1,376,895, and \$1,285,486 respectively).

Please provide an explanation of the sources of the disparity, in enough detail to assure the Board that the amounts sought for disposition are consistent with the Applicant's audited financial statements.

45. Account 1550 Low Voltage

References: Exhibit 9 / 1 / 1 / p. 1, line 8

The applicant indicates at line 8 of this reference that it uses the billed method for recording entries in account 1550 'Low Voltage variance account'. All other deferral and variance accounts are accounted for using the accrual basis of accounting.

Please explain why the applicant does not follow a consistent method of accounting for all deferral and variance accounts.

46. Account 1588 RSVAPower

References: Exhibit 9 / 1 / 1 / p. 5, Table 1; Exhibit 9 / 1 / 2 / p. 4, Table 2

The balance shown for the principal amount of account 1588 in the first reference is \$176,570, and is described as consistent with the Audited Financial Statement. The balance shown in the second reference is larger by the amount of the Global Adjustment sub-account, which is 97,771, and this amount is proposed for disposition.

- a. Please explain why the sub-account was not included in the audited amount (if that is the case).
- b. Please confirm whether or not Orangeville Hydro plans to change its calculations or proposed disposition with respect to Account 1588 in response to a bulletin related to Regulatory Accounting & Reporting of Account 1588 RSVAPower and Account 1588 Sub-account RSVAPower -- Global Adjustment, issued by the Board on October 15, 2009.

47. Account 1570 Qualifying Transition Costs

Ref: Exhibit 9 / 1 / 2 / p. 3

Account 1570 'Qualifying Transition Costs' was supposed to have been completely cleared in the 2006 EDR (Phase 2 Decision), and new entries have not been allowed in recent years.

Please explain why there is a balance in account 1570, and why it is being included amongst the accounts to be disposed of in this proceeding.

Green Energy Plan

48. Approvals Sought

Ref: Addendum 'Green Energy Plan'; OEB Guidelines "Deemed Conditions of Licence: Distribution System Planning", G-2009-0087

To better understand the purpose of the Addendum as part of this application:

- a. Is Orangeville Hydro seeking approval of the Green Energy Plan as part of this proceeding? Please provide the specific relief being sought from the Board in this application.
- b. For each element of the plan where specific relief is requested from the Board, please describe how each of the Initiatives are in compliance with the Guidelines for Deemed Conditions of Licence regarding Distribution System Planning (G-2008-0087).
- c. Please confirm that Orangeville Hydro is not seeking approval in this proceeding for any deferral accounts as described in section II of the G-2008-0087 Guidelines.
- d. Please confirm that Orangeville Hydro is not seeking approval in this proceeding for a Funding Adder as described in section III of the guidelines.

49. Capital Projects

Ref: Exhibit 2 / 3 / 2 / p. 15-16; Green Energy Plan Addendum / Budget and Resources (p. 38)

There are four projects listed in Exhibit 2 under the heading of 'Green Energy Act', totalling approximately \$330,000. In the Budget and Resources table, there are six entries under Infrastructure, totalling \$352,000. The disparity of \$22,000 is also the cost of a project called In-Home Controls.

- a. Please confirm that the projects listed as 2010 capital projects in the Green Energy Plan at p. 38 are the same as those listed as additions to the rate base in Exhibit 2.

- b. Please provide a description of In-Home Controls, and explain why it is not proposed for inclusion in the rate base in Exhibit 2.

50. Distribution System Enhancements

Ref: Exhibit 2 / 3 / 2 / p. 15-16; Addendum: Green Energy Plan / p. 23

Orangeville Hydro is proposing a project for Large Renewable Connection and a project for MicroFIT Enablement, as described in Exhibit 2.

- a. Please describe how Orangeville Hydro will determine where on its system to prepare for connection of renewable generation and MicroFIT generation.
- b. Please describe how Orangeville will determine what is necessary to “complete all the necessary distribution upgrades required to enable Renewable Generation connection to the grid”, as outlined at p. 23 of the Addendum.
- c. If proposed projects serve both normal expansion/reinforcement and GEA initiatives, please allocate the benefits from the project to normal system requirements and Green Energy Act initiatives (i.e. renewable generation connections and enabling smart grid).

51. Coordination of Plans

Ref: Addendum: Green Energy Plan / p. 21

Please describe any specific plans that Orangeville Hydro participates in that are designed to achieve “coordination amongst distributors and transmitters” with regard to infrastructure to support renewable generation, as described at p. 21.

52. Smart Grid

Refs: Addendum: Green Energy Plan / p. 19

Please provide a more complete explanation of how Remote Sensing, Motorized Switches, and PME Upgrades contribute to the objective of the Smart Grid.

53. Allocation of Green Energy Plan Initiatives

Ref: Green Energy Plan / p. 38 “Budget & Resources”

Please provide a re-organized version of the table in which expenditures would be classified with respect to whether the resources would come from a) Orangeville Hydro distribution rates, b) an affiliate of Orangeville Hydro, or c) ratepayers or taxpayers other than those in Orangeville’s service area.