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October 23, 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)
Notice of Intervention: EB-2009-0272
Orangeville Hydro Limited – 2010 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.

ORANGEVILLE HYDRO LIMITED 2010 RATE APPLICATION

EB-2009-0272

VECC'S INTERROGATORIES (ROUND #1)

GENERAL

Question #1

Reference: Exhibit 1/Tab 1/Schedule 2, page 2 (lines 12-15)

a) Please provide a schedule setting out the specific instances where the Application does not follow the OEB's Filing Requirements.

Question #2

Reference: i) Exhibit 1/Tab 1/Schedule 5
ii) Application Addendum – Green Energy Plan

a) Reference (i) lists the specific approvals Orangeville Hydro Is seeking and makes no reference to the Green Energy Plan. However, the first page of the Addendum (Reference (ii)) states that "Orangeville Hydro is seeking general approval from the Ontario Energy Board to carry out its plan". Please clarify the following:
   - Is Orangeville Hydro seeking approval of its Green Energy Plan per Section 70 (2.1) of the OEB Act?
   - If yes, what – in Orangeville Hydro's view - will "general approval" of the Plan authorize Orangeville Hydro to do and what are the implications of the OEB approval for the post 2010 period?

b) Does Orangeville Hydro plan on updating its Application once the Board's Decision on the 2010 Transmission Rates is available? If not, how does Orangeville Hydro propose that its Retail Transmission Service rates be modified (per Reference (i), page 2)?

Question #3

Reference: Exhibit 1/Tab 1/Schedule 10, Appendix B
Exhibit 2/Tab 1/Schedule 1, page 3

a) Is Town of Orangeville and the (former) Village of Grand Valley all one contiguous service area?

Question #4

Reference: Exhibit 1/Tab 1/Schedule 14
Exhibit 1/Tab 3/Schedule 4

a) What are the specific business activities of Green Pathways Inc.?

b) Please confirm that Orangeville Hydro does not provide services to nor receive services from either Orangeville Hydro Services Inc. or Green Pathways Inc. If this is not the case, please document the services provided/received and provide copies of the relevant service agreements.

Question #5

Reference: Exhibit 1/Tab 2/Schedule 1, page 3

a) Please provide a table similar to Table 1 but covering Orangeville Hydro's System Reliability Indicators as prescribed by the OEB.

Question #6

Reference: Exhibit 1/Tab 2/Schedule 1, Appendix E

a) Please update the OM&A cost comparison to include the 2008 data which was released by the Board in September 2009.

Question #7

Reference: Exhibit 1/Tab 2/Schedule 5, page 1, lines 7-10

a) Please describe more fully the duties of the Conservation and Demand Coordinator, indicate the OM&A related costs included in the proposed revenue requirement for this position and explain why the salary isn't fully covered by program recovery costs funded by the OPA.

Question #8

Reference: Exhibit 1/Tab 3/Schedule 1, Appendix F, pages 4 & 20

a) Page 20 of Orangeville Hydro's 2007 Statements states that the Dividend Policy calls for dividends to equal 50% of projected annual net income, subject to certain constraints. Please explain the basis for the $1,280,561 dividend payment in 2007 when the actual net income was only $647,165.

RATE BASE

Question #9

Reference: Exhibit 2/Tab 1/Schedule 1, page 6

a) What is Orangeville Hydro's current Status regarding the elimination of long-term load transfers?

b) Please provide a schedule setting out the planned 2009 and 2010 capital spending related to the elimination of long-term load transfers.

c) Given the revised (September 2009) DSC and the new date (2014) for the elimination of long-term load transfers please comment on the priority associated with the proposed spending on eliminating long-term load transfers for the fourth quarter of 2009 and all of 2010.

Question #10

Reference: Exhibit 2/Tab 2/Schedule 3, pages 3 and 11

a) Please provide a schedule setting out the capital expenditures, by year, for the Veterans Way Expansion Project and briefly explain the facilities installed.

b) What is the current status of the associated customer projects, what capital contributions have been received to-date and what additional capital contributions are anticipated once service connection requests are received?

c) Why was the work undertaken prior to receipt of the service connection requests and the associated capital contributions?

Question #11

Reference: Exhibit 2/Tab 3/Schedule 1, page 1
Exhibit 2/Tab 3/Schedule 2, page 9

a) Please reconcile the 2010 value reported in the two tables.
   - The Distribution and General Plant spending on page 1 does not sum to the reported total
   - The capital spending on page 9 does not sum to the total reported on page 1.

Question #12

Reference: i) Exhibit 2/Tab 1/Schedule 1, page 4
ii) Exhibit 2/Tab 3/Schedule 2, pages 1 and 9
iii) Exhibit 2/Tab 3/Schedule 3, Appendix B

a) Please indicate when the Asset Condition Summary set out in Reference (iii) was prepared.

b) Reference (i) states that Orangeville Hydro prioritizes all proposed capital projects and establishes a list of projects in order from higher to lower priority based on defined criteria. Please provide the prioritized list of the projects proposed for 2009 and 2010 (reference (ii)) and indicate the basis for their priority.

c) Please specifically discuss the implications of not proceeding with the two projects assigned the lowest priority in 2009 and 2010.

d) Were there any other projects considered by Orangeville Hydro for either 2009 or 2010 that were not included due to a lower priority assignment? If so, please discuss the implications of not proceeding with highest priority project in each year that was not included in the budget.

e) Please explain how the proposed projects for 2009 and 2010 specifically address the asset condition deficiencies noted in Reference (iii).

Question #13

Reference: Exhibit 2/Tab 3/Schedule 2, pages 1-15

a) Please indicate how many new service connections (i.e,, individual distribution customers) are associated with each of the 2009 three subdivision

projects discussed on pages 1-2 and when it is expected the individual connections will be made.

b) What is the total contributed capital associated with the three subdivision projects?

c) Based on the joint use agreement with Hydro One (page 3) what is the anticipated capital contribution for the line rebuild?

d) Given that the Rolling Hills Refurbishment project (page 3) has been frequently delayed what is the basis for the decision to proceed with it now in 2009?

e) Who are the other 3 LDCs that chose the UCS solution (page 8)?

f) Please describe the difference between the Broadway Grande project to be connected in 2009 (page 2) and the Broadway Grande project to be connected in 2010 (page 10).

g) Please indicate how many new service connections (i.e,, individual distribution customers) are associated with each of the three 2010 subdivision projects discussed on pages 9-10 and when it is expected the individual connections will be made.

h) Please describe the expected commercial growth in the Centennial Road area (page 13) and indicate both the number of customers and anticipated timing.

i) Orangeville Hydro is forecasting for 2009 and 2010, what the associated capital spending is and where it is reflected in the proposed budget.

j) Has Hydro One performed the site visit required for the wholesale meter upgrade (page 14). Given the reported timelines (i.e., 3 months to provide estimate after site visit and 18 months to complete work after acceptance of proposal) why is it reasonable to assume this work will be completed and the new equipment in-service by the end of 2010?

k) Please provide a schedule that shows the amount of capital contributions associated with each 2009 and 2010 project.

Question #14

Reference: i) Exhibit 2/Tab 3/Schedule 2, pages 15-16
ii) Application Addendum – Green Energy Plan

a) What is the anticipated timing for the installation of a SCADA system by Orangeville Hydro (Reference (ii), page 19)?

b) With respect to the Remote Sensors project, are the proposed sensors of any use/benefit prior to the installation of a SCADA system? If yes, please explain how.

c) The discussion of the Remote Sensors project makes reference to "this phase". Please explain more fully the anticipated phases of the project and why the installation of 10 sensors is Phase 1.

d) Are there any contributed capital or other contributions associated with the Large Renewable Connections? If yes, what is the amount and how was it determined?

e) Has Orangeville Hydro assumed it will receive any contributions/funding under the provisions of Ontario Regulation 330/09? If yes, how much and how was the amount calculated? If no, why not?

f) With respect to the MIcroFIT Enablement Project, given the Board's proposal to create a new customer class for these installations (EB-2009-0326), has Orangeville Hydro included these additional 100 customers as new accounts in its 2010 customer/revenue forecast? If not, why not?

g) Please provide the terms of reference for the Optimization Study (page 16).

h) Is any of the $52,404 in planned spending on services and meters for MicroFIT installations assumed to be directly recoverable from the generators.? If not from the generators, is it recoverable from the Global Adjustment under Ontario Regulation 330/09?

Question #15

Reference: Exhibit 2/Tab 3/Schedule 2, pages 16-18

a) Reference is made (page 17, line 24) to Orangeville Hydro implementing a SCADA system in 2010. Please indicate where this implementation of a SCADA system (including capabilities, costs and timelines) is described in the Application.

b) What is the basis for the $60,000 cost estimate for software updates to accommodate FIT and microFIT settlements (page 18)?

Question #16

Reference: Exhibit 2/Tab 2/Schedule 1, pages 3-5
Exhibit 2/Tab 3/Schedule 1, page 1

a) Orangeville Hydro's capital spending equals its in-service additions in all three years 2008-2010. Is all capital spending placed into service and used/useful the year it is spent such that there is no carry-over of assets under construction from one year to the next? If yes, please explain why this is the case.

Question #17

Reference: Exhibit 2/Tab 3/Schedule 1, page 1
Exhibit 2/Tab 3/Schedule 3, pages 4-5

a) Orangeville Hydro's capital spending ramps up significantly from just over $1 M in 2007 to almost $2 M in 2010 afterwards it falls off to just over $1 M again for 2011 and 2012. Please explain why it is not feasible to spread the anticipated sending out more evenly over the coming three years.

LOAD FORECAST & OPERATING REVENUE

Question #18

Reference: Exhibit 3/Tab 1/Schedule 2, page 1

a) Please provide a schedule setting out the rates and volumes by customer class supporting the 2010 test year revenues reported in Table 1.

b) Please clarify whether the rates used in part (a) included:
- Charges for LV recovery
- Smart Meter charges
- Discounts for transformer ownership where applicable.

Question #19

Reference: Exhibit 3/Tab 2/Schedule 1, page 1, lines 6-7

a) In its EB-2007-0680 Report (page 33) the Board directed Toronto Hydro to work with other parties to understand differences in load forecast methodologies employed. Has Orangeville had any discussions with Toronto Hydro regarding changes it may be implementing in its load forecast methodology? If yes, what was the outcome and how are they reflected in Orangeville's current approach?

Question #20

Reference: Exhibit 3/Tab 2/Schedule 1, pages 5-9

a) What is the definition and source for the population variable used in the regression analysis?

b) If the data source for "population" does not provide monthly values, what is the frequency of the historical data and how were the monthly values established?

c) What other "model" specifications besides the one set out on pages7-8 were tested by Orangeville Hydro, what was were the results and why were they rejected in favour of the proposed model? Did any of the models include customer count as an explanatory variable and, if not, why not?

d) Please confirm that actual data through to December 31, 2008 was used to develop the model.

e) Please explain why the 10-year weather normal conditions were not based on 1999 to 2008 (as opposed to 1998-2007 per page 9).

f) Please provide any other recent projections of Ontario GDP growth for 2009 and 2010 that Orangeville is aware of and compare the year over year growth rates with those prepared by the Ontario Ministry of Finance (per page 7).

Question #21

Reference: Exhibit 3/Tab 2/Schedule 1, pages 9-11

a) What is the basis for Orangeville Hydro's assumption that Polyone Canada's 2009 reduction in energy use will continue for 2010?

b) Please confirm that Orangeville Hydro is assuming that the facilities at Johnson Controls' and Pfizer will be unused by the end of 2010 (i.e., there will be no new customer taking over the facilities).

c) Please confirm that the adjustments set out in Table 6 include a mark-up on billed sales for losses and, if so, what loss factor was used.

d) Please provide a schedule that sets out the 2007 and 2008 OPA programs that Orangeville Hydro participated in along with the level of participation in each program by year.

e) Please provide the basis for the 962,000 kWh incremental CDM savings assumption for 2009 and 2010 (page 11).

f) Please provide a schedule that sets out the 2009 OPA programs that Orangeville Hydro Is participating in along with the number of new participants (over and above those from 2007 and 2008) and the anticipated savings (first year and in subsequent years) per participant for each program. Please reconcile the total savings indicated by this schedule for 2009 and 2010 with the 962,000 kWh estimate set out in the Application.

Question #22

Reference: Exhibit 3/Tab 2/Schedule 1, pages 12-18

a) Please reconcile the forecast number of new connections set out in Table 10 (page 14) for 2009 and 2010 with the new connection assumptions underlying Orangeville Hydro's capital spending forecast.

b) Please provide Orangeville Hydro's customer count by customer class for the most recent month available.

c) Please confirm that the calculation of the geometric mean growth rate from 2002 to 2008 really just calculates the average annual growth rate between the values for the two years assuming a six year period. If not, please explain more fully precisely how the geometric mean is determined.

d) With respect to Table 4, please calculate the predicted "weather normal" sales for each year from 2002-2008 by using the "weather normal variables" as opposed to actual weather HDD and CDD values.

e) Table 16 reports sales by class at the billed/sales level while Table 6 reports adjustments at the purchased level – including losses.

- Why is the CDM adjustment the same in both tables
- Please reconcile the GS>50 adjustments for 2009 and 2010 shown in Table 16 with the adjustments reported in Table 6.

f) Please provide the Hydro One information relied on in order to determine the weather sensitivity by rate class (page 17).

g) Given that residential uses include lighting, cooking and refrigeration, why is it reasonable to assume that the Residential class is 100% weather sensitive (Table 15)?

h) Please provide a schedule setting the average weather normalized use per customer for each class based on the data provided by Hydro One Networks for Orangeville's 2007 Cost Allocation filing and indicate the year the data is based on.

i) What is the basis for assigning all of the CDM adjustment (Table 16) to the Residential class?

Question #23

Reference: Exhibit 3/Tab 3/Schedule 1

a) What are the sources of the Miscellaneous Non-Operating income recorded in Account #4390 and why does the income decline to only $500 in 2010?

b) What was the source of the $15,120 gain (Account #4355) in 2009 and why is only $1,500 forecast for 2010?

OPERATING COSTS

Question #24

Reference: Exhibit 4/Tab 2/Schedule 1, page 1, lines 7-8

a) Page 4 (line 2) states that engineering services are now tracked to specific capital projects. Is this the reason why engineering services are no longer included in the overhead rate used for capitalization? If not, why did Orangeville change its capitalization policy in 2009 to exclude engineering department expenses from the overhead rate?

b) What costs are currently included in the overhead rate applied to direct labour for purposes of capitalization?

Question #25

Reference: Exhibit 4/Tab 2/Schedule 3, pages 1-9

a) With respect to the "payroll" cost drivers identified for 2008 (page 5):
   - Why isn't the entire cost of the Administrative Assistant hired to handle CDM with the OPA allocated to #4380 as an OPA expense?
   - Why are there no payroll savings in 2008 attributed the Engineering Technician that left the company?

b) What is the basis for the 2.5% and 2.3% inflation increased assumed for 2009 and 2010 respectively?

c) The discussion of 2007 cost drivers suggests that there were $62,000 in one-time incremental contractor costs incurred in that year (page 4, items c-I to c-iv). Why aren't these one-time 2007 costs shown as a reduction in 2008 contractor costs?

d) The discussion of 2008 cost drivers suggests that there were $39,000 in one-time incremental contractor costs incurred in that year (page 6, items d-ii toi d-iv). Why aren't these one-time 2008 costs shown as a reduction in 2009 contractor costs?

e) What was the cost of bad debt attributable to residential customers in 2006, 2007 and 2008 respectively?

f) The discussion of 2009 cost drivers suggests that there were $49,000 in one-time incremental contractor costs incurred in that year (page 7, items c-1 to c-ii). Why aren't these one-time 2009 costs shown as a reduction in 2010 contractor costs?

g) The discussion of 2009 includes $10,000 for overtime to Implement a new CIS system in 2009. Why aren't these one-time 2009 costs shown as a reduction in 2010 payroll costs?

h) Exhibit 4/Tab 2/Schedule 1 (page 3) indicates that both the GIS and SCADA systems are "proposed". What is the proposed acquisition and implementation schedule for each and how does this lead to the need for a new Junior Engineer (page 8) in 2010? Does the associated $76 k represent a full year's salary?

i) The 2010 OM&A increase is partly attributed to $60 k for a new CIS module related to the settlement process for the MicroFIT program. How is this different from the $60 k Orangeville has budgeted in capital spending (Exhibit 2/Tab 3/Schedule 2, page 18) for software updates to accommodate the FIT and MicroFIT settlement processes?

j) Please provide a breakdown of the $100 k budgeted for IFRS. How much is one-time implementation costs versus on-going compliance costs?

k) Why isn't Orangeville recording the transition costs associated with IFRS in a deferral account as directed by the Board in EB-2008-0408 (page 27)?

Question #26

Reference: Exhibit 4/Tab 2/Schedule 3, pages 23-24

a) Did Orangeville Hydro offer a Winter Warmth program over the 2008-2009 winter period?

b) Given the Board's September 28, 2009 update regarding the Low Income Energy Assistance Program initiative, is the budgeted LEAP amount required for 2010? If yes, why?

c) With respect to the $140,000 in regulatory costs for the current application please indicate the allowance included for intervenor costs and where it is reflected in Table 7.

Question #27

Reference: Exhibit 4/Tab 2/Schedule 4, pages 2-4

a) For Streetlight Maintenance and Water Billing services provided to the Town of Orangeville, how are the labour costs determined?
   - Do they include any mark-up for overheads or are they just direct labour hours?
   - If just direct labour costs what would the impact of applying the overhead rate used for capitalization on the total costs for each service similar for each of the years shown (2006-2010)?

:

b) For the services provided to the Township of East Luther Grand Valley, please explain the reference to "contracts" under components of service. Does Orangeville Hydro contract the provision of this service out to a third party?

Question #28

Reference: Exhibit 4/Tab 2/Schedule 6

a) Table 10 shows staff levels remaining constant from 2009 to 2010. However, page 4 (lines 19-20) discusses the hiring of two additional staff in 2010. Please reconcile and revise the tables on pages 5 & 6 as necessary.

b) What are the management achievement goals (page 4, lines 14-15 and 24-25) that trigger bonus payments?

c) Does Table 10 reflect approved positions or actual staff employed? If the former, please provide a schedule setting the actual number of FTE's for each year by category.

Question #29

Reference: Exhibit 4/Tab 2/Schedule 7, page 7

a) In principle, is the depreciation charge for each Account based on the "Total for Depreciation" divided by "Years"? if yes, why doesn't this formula yield the reported depreciation expense for each account? If no, how is the Depreciation Expense determined?

Question #30

Reference: Exhibit 4/Tab 3/Schedule 1, page 2

a) Do the 5.5% and 18.25% tax rates used represent the Ontario Provincial tax rates?

b) Do the tax rates used for 2010 reflect the May 2009 budget changes that, effective July 1, 2010, will: i) reduce the general corporate income tax rate from 14% to 12%, ii) reduce the small business tax rate from 5.5% to 4.5% and iii) eliminate the small business deduction surtax? If not, please provide an updated tax calculation.

COST OF CAPITAL

Question #31

Reference: Exhibit 5/Tab 1/Schedule 1, page 1
Exhibit 5/Tab 1/Schedule 3, page 1

a) The Application indicates that Orangeville Hydro has an existing long-term loan with TD Bank at 5.59% and is planning on borrowing $2 M in 2010 at a rate of 5.57%. Please explain how the combination of these two loans yields an average cost of debt of 6.46% when both borrowing rates are below 6%.

b) Please explain how the $2 M loan requirement in 2010 was determined.

REVENUE DEFICIENCY

Question #32

Reference: Exhibit 6/Tab 1/'Schedule 1, page 2

a) Please provide a schedule that sets out the calculation of the $4,474,574 distribution revenue at existing rates. Please show both the volumes and rates used by class and confirm that the rate used:
   - Exclude Charges for LV recovery,
   - Exclude Smart Meter charges, and
   - Reflect discounts for transformer ownership where applicable.

b) Based on the responses to the first round of interrogatories from all parties please prepare a schedule that sets out all the adjustments/revisions that Orangeville Hydro has acknowledged as being required to the currently requested 2010 revenue requirement and the impact of each.

COST ALLOCATION

Question #33

Reference: Exhibit 7/Tab 1/Schedule 2, pages 1-2

a) Please provide the O1 Sheets from the Cost Allocation actually filed with the Board in January 2007 prior to the removal of the transformer ownership allowance revenues and costs as filed in Appendix A.

b) Do these results in Appendix B reflect the aggregation of both the Orangeville and Grand Valley service areas or just the Orangeville service area?

Question #34

Reference: Exhibit 7/Tab 1/Schedule 2, pages 2-4

a) Please explain the difference between the number street lights and the number of street light connections for 2010.

b) How was the revenue by customer class as set out in Table 2 established?

c) Please explain why the total and individual class revenues shown in Table 2 don't match those in the O1 Sheet in Appendix B.

d) Please provide an electronic copy of the updated 2010 Cost Allocation filing.

Question #35

Reference: Exhibit 7/Tab 1/Schedule 2, pages 5-7

a) Why is the revenue to cost ratio for residential class only reduced to 109.33% when the one for USL is reduced to 102.34%? What would be the revenue to cost ratio for both classes if both were reduced to the same value?

b) Please provide a schedule that sets out the derivation of the revenue splits in Table 4 and clarify whether the splits are meant to apply to the total Service Revenue Requirement or the Base Distribution Revenue Requirement.

c) Please provide a schedule that sets out how the last two columns in Table 5 were derived.

RATE DESIGN

Question #36

Reference: Exhibit 8/Tab 1/Schedule 1, pages 1-8

a) Please confirm that Table #1 needs to be revised so as to include the Ontario Capital Tax.

b) The Board's EB-2007-0667 Guideline (page 12) sets the upper limit for the MSC at 120% of avoided costs plus the allocated customer costs. Please provide a table that sets out the upper limit for each class based on the 2010

Cost Allocation and compare the results with the proposed fixed distribution charges in Table 7.

c) The text on page 7 discusses reducing the fixed portion of the revenue for the GS 50-4999 class from 56.55% to 51.16%. However, Table 6 suggests that the current fixed portion is 48% and Table 8 suggests this ratio is being maintained. Please reconcile.

Question #37

Reference: Exhibit 8/Tab 1/Schedule 1, pages 8-10

a) Please indicate where in the Application the recovery of the $90,131 in transformer ownership allowance discounts is addressed and confirm that the amount is recovered only from the GS 50-4999 class.

b) Please provide a schedule that sets out the derivation of the $200,513 in LV charges based on HON's rates.

Question #38

Reference: Exhibit 8/Tab 1/Schedule 3, pages 1-2

a) Please confirm that Orangeville Hydro is billed for both Line Connection Service and Transformation Connection Service at all HON LV delivery points. If not provide the relevant billing kW for each Service for the most recent 12 months.

b) The Application shows that there was an 11.8% over recovery of Transmission Network costs in 2008. Given the 5.5% increase in Network Service rates, why shouldn't the current rates be reduced by roughly 5.6% to adjust for the difference (i.e., 1.055/1.118)?

c) The Application shows that there was a 7.8% over recovery of Transmission Connection costs in 2008. Given the 2.2% overall increase in rates, why shouldn't the current Retail Transmission Connection Service rate be reduced for 2010?

Question #39

Reference: Exhibit 8/Tab 1/Schedule 9, Appendix A, page 8

a) Please provide a schedule that includes the following information:

- Total number of Orangeville Hydro residential customers (year end 2008)
- Total number of Residential customers in the Grand Valley service area (year end 2008)
- Total number of Residential customers in the Grand Valley service area using i) less than 100 kWh per month and ii) between 100 and 250 kWh per month (based on most recent 12 months billing data)

Question #40

Reference: i) Exhibit 1/Tab 1/Schedule 2, page 3
ii) Exhibit 8/Tab 1/Schedules 5 & 6

a) Where in the Application is the change in the Temporary Service Charge discussed. If not addressed in the Application please outline the rationale for the charge and the basis for the proposed rate.

b) Please confirm that the proposed 2010 rate schedule includes new charges "Install/Remove Load Control Device". If yes, please explain the rationale fo these new charges and the basis for the proposed rates.

DEFERRAL AND VARIANCE ACCOUNTS

Question #41

Reference: Exhibit 9/Tab 1/Schedule 2

a) Please confirm that the Account #1548 described on page 2 is the RCVA – Service Transaction Request account (as opposed to Miscellaneous Deferred Debits).

GREEN ENERGY PLAN

Question #42

Reference: Application Addendum

a) Table 4 includes $35,000 in capital spending on SCADA in 2010. However, there does not appear to be any SCADA related capital spending in Exhibit 2 (see Tab 3/Schedule 2, page 9). Please reconcile.

b) Please confirm if the $60,000 in CIS upgrades set out in Table 4 is the $60,000 capital spending discussed at Exhibit 2/Tab 3/Schedule 2, page 18, lines 13-14.

c) Please reconcile the 9% expected customer growth figure reported on page 12 with the 1.8% and 2.0% growth rates forecast for 2009 and 2010 (per Exhibit 3/Tab 2/Schedule 1, page 14).

d) Please provide Orangeville's plan for installing a SCADA system in terms of activities, investments/spending required and associated timelines (per page 19)

e) Has Orangeville developed a business case that supports the installation of in-home information systems (page 20)? If yes, please provide. If not, does Orangeville plan on undertaking such an assessment prior to installation?

f) Does Orangeville Hydro plan on offering "financing" and "installation" services to prospective renewable energy generators and, if so, will this be part of its "utility business" (pages 21 and 28)?.

g) Please reconcile the statement on page 24 that Orangeville Hydro delivers conservation programs to its residential and commercial consumers with treatment of CDM savings in Exhibit 3 where they are all assigned to the residential class (Exhibit 3/Tab 2/Scheduele 1, page 18).

h) Why are additional dollars for "marketing" and "customer incentives" required to roll out OPA programs (page 25)? If these programs are developed by the OPA with a view to being cost-effective wouldn't such spending potentially negate the cost-effectiveness of the OPA programs?

i) Is it Orangeville Hydro's expectation that it may/will have to undertake utility-specific CDM programs that are not cost effective – based on current OEB criteria (page 25)? If so, what is the basis for this view?

j) Does Orangeville Hydro plan on approaching the OPA for financial assistance with its Marketing Campaign (page 26)? If not, why not?

k) Are the costs for the Marketing Campaign ($16,000 in 2010 per Table 4) included in Orangeville Hydro's proposed 2010 revenue requirement? If yes, where?

l) What is the basis for the 800 small scale generation installations market estimate (page 28)?

m) Will the additional cost of the positions associated with Small Scale Renewable Generation all be fully recovered from the participating renewable energy generators (page 28)?

n) The Plan states that Orangeville Hydro will conduct a feasibility study into owning renewable energy generation (page 30). What is the scope of the feasibility study? What criteria will be used to determine whether the project should proceed? Is the $100,000 capital spending in 2011 for Large Renewables (Table #4) the cost of the feasibility study?