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November 3, 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-2009-0259
Burlington Hydro Inc. – 2010 Cost of Service Application
Interrogatories of Energy Probe

Pursuant to Procedural Order No. 1, issued by the Board on October 19, 2009, please find two hard copies of the Interrogatories of Energy Probe Research Foundation (Energy Probe) in the EB-2009-0259 proceeding. An electronic version of this communication will be forwarded in PDF format.

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

Yours truly,

David S. MacIntosh
Case Manager

cc: Michael Kysley, Burlington Hydro Inc. (By email)
Randy Aiken, Aiken & Associates (By email)
Intervenors of Record (By email)

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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
Burlington Hydro Inc. for an order approving just and
reasonable rates and other charges for electricity
distribution to be effective May 1, 2010.

**INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

November 3, 2009

**BURLINGTON HYDRO INC.
2010 RATES REBASING CASE
EB-2009-0259**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

Interrogatory # 1

Ref: Exhibit 2 & Exhibit 4

The provincial government has announced plans to harmonize the provincial retail sales tax (RST) with the goods and services tax (GST) effective July 1, 2010 to create harmonized sales tax (HST). Based on the proposed elimination of the RST effective July 1, 2010:

- a) Please confirm that Burlington Hydro has not made any adjustments to the OM&A forecasts shown in Exhibit 4 to reflect the elimination of the 8% provincial sales tax.
- b) Please provide the estimated costs of the provincial sales tax included in the OM&A forecast for 2010.
- c) Please provide the amount of provincial sales tax paid by Burlington Hydro in each of 2006, 2007, 2008 and 2009 on OM&A expenses.
- d) Is there any reduction in compliance costs that will result from the reduction in the administrative burden on Burlington Hydro to comply with two separate sets of tax rules?
- e) Please confirm that Burlington Hydro has not made any adjustments to the capital expenditure forecasts shown in Exhibit 2 to reflect the elimination of the 8% provincial sales tax.
- f) Please provide the estimated costs of the provincial sales tax included in the capital expenditures included in rate base forecast for 2010.
- g) Please provide the amount of provincial sales tax paid by Burlington Hydro on capital expenditures included in rate base in each of 2006, 2007, 2008 and 2009.

- h) If Burlington Hydro is unable to quantify the impact of the removal of the provincial sales tax, is Burlington Hydro agreeable to the creation of a deferral account into which the resulting savings would be placed and rebated to customers in the future? If not, why not?**

Interrogatory # 2

Ref: Exhibit 1, Tab 1, Schedule 16

Are any of the costs associated with Burlington Hydro Electric Inc. and/or Burlington Electricity Services Inc. including their Board of Directors, included in the costs included in the filing by Burlington Hydro for recovery through the revenue requirement? If yes, please and identify and quantify these costs.

Interrogatory # 3

Ref: Exhibit 1, Tab 2, Schedule 5

- a) Please identify the “additional regulatory requirements” that require the addition of a regulatory accountant in 2010.**
- b) What are the total all in costs associated with this new position?**

Interrogatory # 4

Ref: Exhibit 2, Tab 3, Schedule 1

The evidence states that Burlington Hydro has used the half year rule for calculating the depreciation expense for the 2010 test year. Did Burlington Hydro also use the half year rule for calculating the depreciation expense for the 2009 bridge year? If not, please explain how the 2009 bridge year expense was calculated and how this compares in terms of total depreciation expense in 2009 if the half year rule methodology had been used for 2009.

Interrogatory # 5

Ref: Exhibit 2, Tab 4, Schedule 2

- a) Please update the cost of power component of the working capital allowance to reflect the October 15, 2009 OEB RPP Report that has a cost of power of \$.06215 per kWh.**

- b) Has Burlington Hydro reflected the different rates applicable to RPP and non-RPP customers in the cost of power calculation? If not, why not?
- c) Exhibit 9, Tab 2, Schedule 1 shows that the allocation factor for the RSVA – Power – Global Adjustment is kWh – non RPP. Please provide the total non RPP kWh used for this allocation. Is this figure a 2010 forecast or an actual historical figure? Please provide the percentage of the total kWh represented by the non RPP kWh based on either the forecast or the actual historical period used.
- d) Please calculate the cost of power and the related impact on the working capital allowance to reflect the RPP and non RPP volumes (as provided in the response to part (c) above using the RPP price of \$0.06215 per kWh and a price of \$0.05820 per kWh for the non RPP volumes (being the sum of the forecasted average HOEP price of \$0.03326 per kWh and the forecasted global adjustment of \$0.02494 per kWh for the RPP year).
- e) Are the kWh's associated with any market participants served by the distributor included in the kWh's used to calculate the cost of power? If yes, please recalculate the cost of power component of the working capital allowance removing any such volumes.
- f) Does the distributor intend to update the transmission related cost of power to reflect 2010 transmission rates when they are approved by the Board?

Interrogatory # 6

**Ref: Exhibit 2, Tab 4, Schedule 2, page 20 &
Exhibit 2, Tab 4, Schedule 3, page 19 &
Exhibit 2, Tab 4, Schedule 4, page 15 &
Exhibit 2, Tab 4, Schedule 5, page 21 &
Exhibit 2, Tab 4, Schedule 6, page 20**

The referenced exhibits all show the composition of the capital contribution/grants in 2004 through 2008.

- a) Please explain what is meant by “Subdivisions Assumed”.
- b) Please explain what is meant by “Subdivision Buy Back”.
- c) Why is the subdivisions figure shown in 2008 considerably lower than the corresponding figures for each of 2004 through 2007?

Interrogatory # 7

**Ref: Exhibit 2, Tab 4, Schedule 1, page 6 &
Exhibit 2, Tab 4, Schedule 7**

- a) Please provide a table that shows the 2009 budget forecast, the most recent year-to-date amount available that has been spent and the remainder to be spent in 2009 for each of the projects shown on page 6 of Schedule 1 and explained in Schedule 7.**
- b) Are any of the 2009 projects, or portion of the projects, now forecast to be completed and in service after the end of 2009? If yes, please provide the details, including the capital additions associated with these projects, or portion of these projects, that will not be in service until 2010.**

Interrogatory # 8

Ref: Exhibit 2, Tab 4, Schedule 8

Based on the most recent information available, can any of the 2010 projects listed be deferred to 2011?

Interrogatory # 9

Ref: Exhibit 3, Tab 2, Schedule 1, Table 3-1

Please provide the estimated coefficients, t-statistics and regression statistics for each of the three equations shown in Table 3-1 in the same level of detail as shown in page 9 and in Table 3-5.

Interrogatory # 10

Ref: Exhibit 3, Tab 2, Schedule 1, Table 3-7

- a) Please explain why Burlington Hydro has used an average loss factor calculated over the 2003 through 2008 period while the regression analysis is based on a different time period of 1996 through 2008.**
- b) Please provide the average loss factor for the period 1996 through 2008 in the same format as Table 3-7.**

- c) Please re-estimate the regression analysis using data for 2003 through 2008 only. Please provide the resulting coefficients, t-statistics and regression statistics.
- d) Using the equation estimated in (c) above, please provide a table similar to that on page 12 showing the actual and predicted figures from 2003 through 2008 as well as the forecast for 2009 and 2010 (using all 3 weather normals).

Interrogatory # 11

Ref: Exhibit 3, Tab 2, Schedule 1, page 9

- a) Please explain the significance of a negative coefficient on the number of customers.
- b) Did Burlington Hydro try using population as an explanatory variable in place of the number of customers? If not, why not?
- c) Please provide the estimated equation that results when the number of customers is removed from the equation as estimated and is replaced by the population of the service area. Please also provide the volume forecast for 2009 and 2010 (using all 3 weather normals) generated by this equation.

Interrogatory # 12

Ref: Exhibit 3, Tab 2, Schedule 1, Table 3-8

Please provide the most recent month of actual customers/connections for 2009 and the corresponding number of customers for the same month in 2008 for each of the rate classes shown in Table 3-8.

Interrogatory # 13

**Ref: Exhibit 3, Tab 2, Schedule 1, page 12 &
Exhibit 6, Tab 1, Schedule 1**

What is the impact on the gross revenue deficiency of \$3,255,392 shown in Exhibit 6, Tab 1, Schedule 1 if the 20 year trend 2010 weather normal forecast of 1,689.7 GWh was used?

Interrogatory # 14

**Ref: Exhibit 3, Tab 2, Schedule 1, Table 3-15 &
Exhibit 6, Tab 1, Schedule 1**

What is the impact on the gross revenue deficiency of \$3,255,392 shown in Exhibit 6, Tab 1, Schedule 1 if the residential, GS < 50 and GS > 50 rate classes were all assumed to be 50% weather sensitive?

Interrogatory # 15

Ref: Exhibit 3, Tab 3, page 1

Please provide the most recent year-to-date figure available in the level of detail shown in the table in page 1 for 2009, along with the corresponding figure for the same period in 2008.

Interrogatory # 16

Ref: Exhibit 3, Tab 3, Schedule 1

- a) Please explain the significant decrease in the forecast of account 4235 Specific Service Charges in 2010 as compared to 2009.**
- b) In the midst a severe recession, why has Burlington Hydro forecast a substantial reduction in account 4225 Late Payment Charges for both 2009 and 2010?**
- c) Please explain the significant increase in account 4210 Rent from Electric Property forecast for 2009.**
- d) What is included in account 4220 Other Electric Revenues and why is a significant decrease forecast for 2009?**
- e) Please explain the figure shown in account 4360 Loss from Disposition of Utility and Other Property shown in 2009 and 2010. What are these losses related to and how has the disposition of this property been reflected in the gross assets and accumulated depreciation schedules shown Exhibit 2, Tab 3, Schedule1? How has the depreciation expense associated with these disposed properties been calculated?**
- f) What is included in account 4375 Revenues from Non-Utility Operations account 4380 Expenses of Non-Utility Operations?**

- g) What is driving the significant reduction in margins for accounts 4375 and 4380 from \$116,000 in 2008 to less than \$73,000 in 2009?
- h) Please provide the average balance in 2010 and the interest rate forecast to generate the \$32,270 in account 4405 Interest and Dividend Income.
- i) Please confirm that account 4405 Interest and Dividend Income does not include any interest credits or debits associated with regulatory assets. If this cannot be confirmed, please provide the forecast for this account in 2010 excluding all interest associated with regulatory asset accounts.
- j) If Burlington Hydro has interest earned on any loans made to its affiliate, please indicate the rate charged on these loans.

Interrogatory # 17

Ref: Exhibit 4, Tab 1, page 2

The evidence indicates that non-unionized wages and benefits were increased at a rate of 3.4% and unionized wages and benefits were increased at a rate of 3.0% for the 2010 test year.

- a) What is the forecast increase for union and non-union employees for the 2009 bridge year?
- b) What were the actual increases given to union and non-union employees for the 2009 bridge year?

Interrogatory # 18

Ref: Exhibit 4, Tab 2, Schedule 4, page 1

- a) On September 28, 2009 the OEB issued a letter providing a status update on the LEAP initiative. As part of that letter the Board indicated that the Minister of Energy and Infrastructure requested that the Board not proceed to implement new support programs for low-income energy consumers in advance of a ministerial direction. In light of this, would Burlington Hydro agree that the \$39,000 included in the 2010 revenue requirement should be removed? If not, why not?

- b) Please explain why the software amortization line is included in the table to explain the cost drivers for OM&A expenses. Why are these expenses not included in depreciation & amortization?
- c) Are there any other amortization or depreciation expense changes included in the OM&A cost drivers? If yes, please identify, quantify and explain.

Interrogatory # 19

**Ref: Exhibit 4, Tab 2, Schedule 4, page 16 &
Exhibit 3, Tab 3, Schedule 1**

- a) Please provide the total costs of the services provided by Burlington Hydro to the affiliate for each of 2006 through 2010.
- b) Please provide the total revenues received for service provided by Burlington Hydro from the affiliate for each of 2006 through 2010.
- c) Where are these revenues shown in Exhibit 3, Tab 3, Schedule 1?
- d) If there is a reduction in the quantity of services provided to the affiliate in 2008, why is there an increase of \$117,614 shown for this line item in the table on page 1 for 2009?
- e) Please explain the link between bank fees and smart meter funding. Are these fees interest costs for a loan to help finance the purchase of smart meters? If so, why are these costs included in OM&A costs and not covered through the smart meter (1555) account?

Interrogatory # 20

Ref: Exhibit 4, Tab 2, Schedule 2

Please provide the actual year-to-date OM&A expenses for the most recent month of actual data available for 2009 and the corresponding figures for the same period in 2008 in the same level of detail as shown in the table Summary of OM&A Expenses.

Interrogatory # 21

Ref: Exhibit 4, Tab 2, Schedule 4, page 18

- a) Please reconcile the 3.0% budgeted pay increase with 3.4% figure for non-unionized staff on page 2 of Exhibit 4, Tab 1.**
- b) Are any of the three apprentice positions forecast to be added in 2010 related to current positions where the incumbent is expected to retire in 2010 through 2013? If yes, please indicate when the incumbent is expected to retire in this time period.**
- c) Are any of the existing personnel in positions for which apprentices have been hired in 2007 through 2009 expected to retire in 2010 through 2013? If yes, please indicate when the incumbent is expected to retire in this time period.**
- d) What is the impact on the OM&A costs if the budgeted pay increase is reduced to 2% for all personnel?**
- e) Is there a negotiated agreement in place with the Union for the 2010 year? If yes, please provide the negotiated increase for 2010 for unionized personnel.**
- f) What is the impact on the OM&A costs if the budget pay increase for non-unionized personnel is 1.5%?**

Interrogatory # 22

**Ref: Exhibit 4, Tab 2, Schedule 4, page 1 & page 14 & page 18 &
Exhibit 4, Tab 2, Schedule 5 &
Exhibit 4, Tab 2, Schedule 3**

Exhibit 4, Tab 2, Schedule 3 appears to show regulatory expenses (account 5655) of \$214,409 in 2008, \$519,153 in 2009 and \$352,270 in 2010. The differences in these figures are shown as Regulatory Expenses in the table on page 1 of Exhibit 4, tab 2, Schedule 4.

As part of the 2009 cost driver explanation on page 14 of Exhibit 4, Tab 2, Schedule 4, it appears that the increase in the 2009 expenses is the result of the preparation of the rate rebasing application. In the 2010 cost driver explanation on page 18 of the same exhibit, the evidence indicates that one-quarter of the costs associated with the rate rebasing application are included in the 2010 costs. At Exhibit 4, Tab 2, Schedule 5, the evidence indicates that Burlington Hydro will recover these costs over a four year time horizon beginning in 2010.

- a) Why has Burlington Hydro included the rate rebasing costs in 2009 while proposing to recover the costs in 2010 through 2013?
- b) It is not clear from the evidence provided at Exhibit 4, Tab 2, Schedule 5 what the total cost associated with the rate rebasing application is. Please provide a table that shows each of the components associated with the rates rebasing application (such as legal, consultants, intervenors, Board costs, etc.)
- c) What is the impact on the forecast of rate rebasing application costs if there is no oral component (technical conference, hearing) of the proceeding?
- d) Please explain why line 5 of the table on Exhibit 4, Tab 2, Schedule 5 has \$25,250 in the USofA Account column as part of the 2010 test year forecast, but the second last column in the table, labeled Test Year Forecast, has \$15,250.
- e) Please explain why line 6 of the table on Exhibit 4, Tab 2, Schedule 5 has \$11,737 in the USofA Account column as part of the 2010 test year forecast, but the second last column in the table, labeled Test Year Forecast, has \$10,000.
- f) Please explain why line 7 of the table on Exhibit 4, Tab 2, Schedule 5 has \$38,400 in the USofA Account column as part of the 2010 test year forecast, but the second last column in the table, labeled Test Year Forecast, has \$0.

Interrogatory # 23

Ref: Exhibit 4, Tab 2, Schedule 6

- a) Please confirm that based on the Comparison of Ontario Electricity Distributors Costs (EB-2006-0268), updated with 2007 data issued June 25, 2008 and last updated December 4, 2008, Burlington Hydro's average OM&A cost per customer over the 2005 through 2007 period was \$196 per customer, while the relevant cohort (Mid-Size GTA Medium-High Undergrounding) average was \$182.**
- b) Please confirm that the corresponding figures for 2007 are \$206 for Burlington Hydro and \$188 for the cohort.**
- c) The evidence in the table in Schedule 6 indicates that Burlington Hydro is forecasting an increase in the 2010 test year forecast of OM&A per customer of 11.1% relative to the 2007 actual cost per customer. If this increase was applied to the cohort average cost in 2007 of \$188 per customer, the 2010 cost be \$209 per customer, or \$20 below the Burlington Hydro forecast. With approximately 80,000 customers, this represents a cost of \$1.6 million or more than 70% of the net deficiency claimed by Burlington Hydro. Please explain why Burlington Hydro's costs are significantly higher than those of its cohorts. Please also explain why the Ontario Energy Board should approve significant OM&A cost increases when Burlington Hydro is already significantly above the cohort average.**

Interrogatory # 24

**Ref: Exhibit 4, Tab 3, Schedule 1, page 4 &
Exhibit 4, Tab 2, Schedule 3**

- a) Burlington Hydro has indicated that it has purchased Accounts Receivable Insurance beginning in 2009. For the bad debt expense of \$405,047 in 2008 shown in Exhibit 4, Tab 2, Schedule 3, please indicate how much of this amount would have been covered by the Accounts Receivable Insurance had it been in place in 2008.**
- b) Would the four large commercial accounts written off in 2008 been covered by the insurance had it been in place? If not, please explain why not.**

Interrogatory # 25

Ref: Exhibit 4, Tab 4, Schedule 2

- a) Please explain why no incentive pay has been forecast for 2009.**
- b) Why has incentive pay been forecast for 2010 but not 2009? What is expected to change?**
- c) What is the total amount of incentive pay forecast for 2010 based on the figures provided in the employee costs table?**
- d) Is this the maximum amount of incentive pay that could be paid out? If not, what is the maximum amount of incentive pay that could be paid out in 2010?**
- e) Please explain what is meant by “Total Compensation Charged to Billings” on the last line of the table. Is the figure shown for 2010 of \$673,493 included in the 2010 revenue requirement? If yes, please explain where this cost is shown.**

Interrogatory # 26

**Ref: Exhibit 4, Tab 5, Schedule 1 &
Exhibit 3, Tab 3, Schedule 1**

Please explain why there is no pole rental revenue shown for 2009 or 2010? Is this revenue now received from an unrelated party? If so, does this account for the increase in revenues in account 4210 shown in Exhibit 3, Tab 3, Schedule 1?

Interrogatory # 27

**Ref: Exhibit 4, Tab 7, Schedule 2, page 5 &
Exhibit 6, Tab 1, Schedule 1 &
Exhibit 4, Tab 1 &
Exhibit 4, Tab 8, Schedule 2**

- a) Please explain the difference in the 2010 depreciation expense of \$7,371,345 shown in Exhibit 4, Tab 7, Schedule 2 and the figure of \$6,694,092 shown in the deficiency calculation in Exhibit 6, Tab 1, Schedule 1 and also shown in the Summary of Operating Costs table in Exhibit 4, Tab 1.**

- b) Please explain why Burlington Hydro has added back in a depreciation expense of \$7,371,345 in the income tax calculation shown in Exhibit 4, Tab 8, Schedule 2 rather than the figure of \$6,694,092.
- c) Please confirm that the utility income before taxes figure of \$5,001,233 reflects a depreciation expense of \$6,694,902. If this cannot be confirmed, please provide the figure for depreciation used to calculate the utility income before taxes figure.

Interrogatory # 28

Ref: Exhibit 4, Tab 8, Schedule 2

- a) Please explain the line labeled “Federal ITCs” and provide all details of the calculation of the \$33,325.
- b) Where does Burlington Hydro make adjustments to the regulatory income taxes for input tax credits such as the Apprenticeship Training Tax Credit, the Co-Operative Education Tax Credit, Investment Tax Credit, etc.?
- c) Please calculate the impact on taxes and on the revenue requirement of including the Apprenticeship Training Tax Credit as modified in the 2009 provincial budget to 35% of qualifying wages to a maximum of \$10,000 per position and extending the eligibility period from 36 months to 48 months. Please show where this credit has been used to reduce income taxes.
- d) Has Burlington Hydro included any tax credits related to the Co-operative Education Tax Credit? If not, why not? If yes, please provide the calculations used to calculate this credit and indicate where in the calculation of income taxes it can be found. Please indicate if the calculation reflects the 2009 provincial budget changes that increased the credit to 25% of qualifying wages to a maximum of \$3,000.

Interrogatory # 29

Ref: Exhibit 4, Tab 3, Schedule 1

- a) Please confirm that the 2009 provincial budget reduced the small business tax rate from 5.5% to 4.5% effective July 1, 2010 on the first \$500,000 of taxable income and eliminated the 4.25% surtax on taxable income over \$500,000, also effective July 1, 2010.

- b) Please confirm that the 2010 provincial tax savings resulting from the above change is \$18,750, the difference between the following calculations on the first \$1,500,000 of taxable income:

$$\begin{array}{lcl} * & 13\% \times \$1,500,000 & = \$195,000 \text{ and} \\ * & 5\% \times \$500,000 & = \$25,000 \\ & 13\% \times \$1,000,000 & = \$130,000 \\ & 2.125\% \times \$1,000,000 & = \underline{\$21,250} \\ & \text{Total} & = \$176,250 \end{array}$$

If these calculations cannot be confirmed, please provide the calculations that show the reduction in the provincial income tax and provide the rationale for the rates and numbers used.

Interrogatory # 30

Ref: Exhibit 5, Tab 2, Schedule 2 &
Exhibit 5, Tab 3, Schedule 1

The promissory note indicates that the principal sum is to be adjusted to the maximum “deemed amount” in keeping with the latest application to the Ontario Energy Board. The deemed long-term debt about for 2010 is \$58,654,433.

- a) Does Burlington Hydro expect to receive the difference of approximately \$10.75 million from the City of Burlington upon issuance of a Board Decision? If not, why not?
- b) If this amount is not advanced to Burlington Hydro, is it Burlington Hydro’s position that the City would be in breach of the terms of promissory note? If not, why not?
- c) Has Burlington Hydro tried to obtain long-term financing from third party sources, such as a bank or Infrastructure Ontario? If not, why not? If yes, please provide all correspondence related to these enquiries.
- d) If the City of Burlington has indicated it will advance the additional long-term debt to Burlington Hydro, does Burlington Hydro know what the source of these funds will be? If the City of Burlington intends to borrow such funds, is Burlington Hydro aware of the rate paid by the City? If yes, please provide this rate.

Interrogatory # 31

Ref: Exhibit 5, Tab 3, Schedule 1

- a) Please confirm that the short term debt return shown for 2010 is incorrect as are the subsequent totals.**
- b) Do the correct figures in this table for 2010 result in any changes to the revenue requirement, income taxes, etc.?**

Interrogatory # 32

Ref: Exhibit 7, Tab 3

Please explain why Burlington Hydro believes it is appropriate to adjust the revenue to cost ratio upwards for the GS > 50 rate class when the updated cost allocation model has the ratio within the Board approved range.

Interrogatory # 33

Ref: Exhibit 7, Tab 3, Schedule 1

What would be the impact on the revenue to cost ratios and the revenues for all rate classes assuming the revenue to cost ratio for the GS > 50 class is left at 80.26%, but the Burlington Hydro proposal for the street lighting class were to proceed as proposed?

Interrogatory # 34

Ref: Exhibit 8, Tab 1

Please reconcile the figures at line 14 of \$31,144,197 and at line 15 of \$29,561,295 with the figures of \$31,317,814 and \$29,734,912, respectively, shown the in the tables.

Interrogatory # 35

Ref: Exhibit 8, Tab 2

With the exception of the street lighting class, it appears that Burlington Hydro is proposing to move all of the fixed rates to the ceiling as derived from the cost allocation model.

- a) Is this correct?**
- b) What is the rationale for moving all of these classes to the ceiling of the range?**

Interrogatory # 36

**Ref: Exhibit 8, Tab 5, Schedule 1 &
Exhibit 3, Tab 2, Schedule 1, page 13**

- a) Why has Burlington Hydro proposed to use a 5 year average for the calculation of the loss factor, rather than a 3 year average as was used as part of the 2006 Electricity Distribution Rate Handbook?**
- b) Why has Burlington Hydro used a 6 year average loss factor (1.0407) for forecasting purposes (Exhibit 3, Tab 2, Schedule 1, page 13), rather than the 5 year average of 1.0405 as calculated in Exhibit 8, Tab 5, Schedule 1?**
- c) What would be the total loss factor if Burlington Hydro used the average of the last three years, 2006 through 2008?**
- d) What would be the impact on the total revenue requirement of using this 3 year average in place of the 5 year average, assuming it was also used to calculate the weather normalized billed energy forecast?**

Interrogatory # 37

Ref: Exhibit 9, Tab 1, Schedule 1

The evidence indicates that Burlington Hydro has used the 2008 share of non-RPP kWh billed consumption of approximately 52% to forecast the 2010 non-RPP volumes for variance account disposition. Does Burlington Hydro believe that any further adjustments should be made to the non-RPP customers to reflect the movement of more customers into this category in late 2009? Please explain.