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November 6, 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-2009-0263**  
**Festival Hydro Inc. – 2010 Cost of Service Application**  
**Interrogatories of Energy Probe**

Pursuant to Procedural Order No. 1, issued by the Board on October 16, 2009, please find attached two hard copies of the Interrogatories of Energy Probe Research Foundation (Energy Probe) in the EB-2009-0263 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: William Zehr, Festival Hydro Inc. (By email)  
Debbie Reece, Festival 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 Festival  
Hydro Inc. for an order approving just and reasonable rates  
and other charges for electricity distribution to be effective  
May 1, 2010.

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

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**November 6, 2009**

**FESTIVAL HYDRO INC.  
2010 RATES REBASING CASE  
EB-2009-0263**

**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 Festival 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 Festival 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 Festival Hydro to comply with two separate sets of tax rules?**
- e) Please confirm that Festival 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 Festival Hydro on capital expenditures included in rate base in each of 2006, 2007, 2008 and 2009.**

- h) If Festival Hydro is unable to quantify the impact of the removal of the provincial sales tax, is Festival 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 13**

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

**Interrogatory # 3**

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

- a) Does the current application reflect the revised capital budget that was approved by the Board of Directors in May, 2009?**
- b) Please provide a table that shows the difference between the 2010 capital budget that was approved by the Board of Directors in January, 2009 with that approved in May, 2009.**
- c) The Board of Directors approved a preliminary OM&A budget in May, 2009. Has this preliminary OM&A budget for OM&A costs been used in the current rate application?**
- d) Has Festival Hydro updated the preliminary OM&A budget since it was approved in May, 2009? If not, why not?**

**Interrogatory # 4**

**Ref: Exhibit 2, Tab 2, Schedule 1**

- a) Please explain why there were significant disposals under accumulated depreciation in both 2004 and 2005 (Tables 1 & 2), without any significant disposals under the cost category.**
- b) Please explain the reduction in accumulated depreciation for OH Conductors and Devices in 2006 without any corresponding reduction in costs (Table 3).**

- c) Please explain why the reduction in accumulated depreciation in 2006 (Table 3) for Transportation Equipment (\$131,717) is larger than the associated reduction in costs (\$118,591).
- d) Please explain the disposal of \$196,036 in 2007 (Table 4) in OH Conductors and Devices without any associated reduction in costs for the account.
- e) Please explain the negative disposal of \$818,014 for OH Conductors and Devices in 2008 (Table 5).
- f) Please explain why there are no disposals shown for 2009 or 2010 (Tables 6 & 8).
- g) Has Festival Hydro had any disposals for 2009 to date? If yes, please provide a Table 6 that shows these disposals.
- h) Please update Table 7 to reflect the most recent year-to-date information available.
- i) Based on the response to part (h) above, does Festival Hydro still expect to meet its capital expenditure forecast? If not, why not?
- j) Will all of the expenditures forecast for 2009 be in service before the end of 2009? If not, please quantify the impact of these assets being put into service in 2010 on the forecast of the 2010 rate base.
- k) What is the current year-to-date figure for the 2009 Contributions & Grants?

#### **Interrogatory # 5**

**Ref: Exhibit 2, Tab 2, Schedule 3, page 29**

- a) With respect to the \$30,000 for the replacement meters (line 40) please indicate if these meters will be replaced with smart meters in the next few years.
- b) If yes, has Festival Hydro purchased new meters, or has Festival Hydro purchased used meters from distributors that replaced meters with smart meters?
- c) If Festival Hydro had purchased used meters, how much would the \$30,000 forecast be reduced in 2009?

#### **Interrogatory # 6**

**Ref: Exhibit 2, Tab 3, Schedule 1, page 19**

- a) How much of the \$20,000 estimated cost in distribution meters is related to meters that will be replaced in 2010, only to be replaced with smart meters in the near future?**
- b) Has Festival Hydro considered purchasing used meters from distributors that have replaced relatively new meters with smart meters? If not, why not?**
- c) What would be the reduction in distribution meter costs if Festival Hydro purchased used meters?**

#### **Interrogatory # 7**

**Ref: Exhibit 3, Tab 2, Schedule 1, page 20**

- a) Are the vehicles forecast to be replaced in 2010 fully depreciated? If not, please provide the net book value.**
- b) Please indicate where in the evidence the proceeds from the disposition of each of the vehicles being replaced in 2010 is shown and provide the associated amounts for each vehicle.**

#### **Interrogatory # 8**

**Ref: Exhibit 2, Tab 4, Schedule 2, page 3 &  
Exhibit 3, Tab 2, Schedule 1, page 23**

**Please reconcile the 576,872,024 kWh's shown on page 3 of Exhibit 2, Tab 4, Schedule 2 with the figure of 574,937,024 kWhs on page 23 of Exhibit 3, Tab 2, Schedule 1.**

#### **Interrogatory # 9**

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

- 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 Festival 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 1, Schedule 2, Appendix A 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 # 10**

**Ref: Exhibit 3, Tab 2, Schedule 1, page 7 & 8 & Table 4**

- a) Please explain Festival Hydro's interpretation of the negative coefficient on population. For example, does this mean that as the population increases the kWh's sold decreases and similarly, if the population falls, the number of kWh's sold would increase?
- b) Please explain the statement on page 8 that the negative coefficient on population is explained by the slowing of the population growth rate.
- c) Why does the same logic not apply to the coefficient on Ontario Real GDP? In other words, why does the slowing of the growth in the economy and the negative growth in the recession not yield a negative coefficient on this variable?

- d) What other variables did Festival Hydro try as explanatory variables in the equation? Please explain why these variables were removed from the final version of the equation.

**Interrogatory # 11**

**Ref: Exhibit 3, Tab 2, Schedule 1, page 7 & Table 4 & Table 5**

**For each of the following equations, please provide the equation coefficients shown on page 7 and the regression statistics in Table 4 and the 2010 predicted value for 2009 and 2010 as shown in Table 5:**

- a) The current equation excluding the Spring Fall Flag variable.
- b) The current equation excluding population, but including the number of customers (excluding the number of connections for street lighting, USL and sentinel lights).
- c) The equation estimated in (b) above, but also excluding the Spring Fall Flag variable.

**Interrogatory # 12**

**Ref: Exhibit 3, Tab 2, Schedule 1, Table 6 & Table 7**

- a) Please confirm that the figures included in Table 6 for the university and financial institution adjustments include an allowance for loss factors.
- b) Please provide the simple loss factor for 1998 and 1999.

**Interrogatory # 13**

**Ref: Exhibit 3, Tab 2, Schedule 1, Tables 6, 7 & 8**

**Please reconcile the weather normalized figure for 2010 of 576,872,025 kWhs in Table 8 with the predicted value of 591,767,152 kWhs in Table 6 and use of the 2.58% loss factor shown in Table 7.**



#### **Interrogatory # 14**

**Ref: Exhibit 3, Tab 2, Schedule 1**

**The evidence is not clear as to what heating and cooling degree forecast Festival Hydro has used to forecast the 2010 volumes.**

- a) Page 19 of Schedule 1 talks about 11 year and 20 year trend lines, but the data in Appendix B are labeled as 11 and 20 year averages. Please explain whether the degree day used is actually trend data or average data.**
- b) The data in 2010 in Appendix B is different than that shown for 2009 for the 11 year data, while it is the same in 2009 and 2010 for the 20 year data. Please explain. Please provide the period used to calculate the 11 year average for 2010.**
- c) The heating and cooling degree day data shown for 2009 and 2010 in Appendix A is not equal to the 11 year or 20 year data shown in Appendix B. Please explain.**
- d) Please indicate which set of data has actually been used in the 2009 and 2010 forecast.**
- e) Please provide the data in Appendix A in a live Excel spreadsheet.**
- f) Please explain why all of the difference in the weather adjustment based on the 20 year data shown in Table 16 ends up in the Residential adjustment.**

#### **Interrogatory #15**

**Ref: Exhibit 3, Tab 2, Schedule 1, Table 18 & 19**

- a) What is the impact on the revenue deficiency if the kW forecast shown in Table 19 was based on the 2008 figures shown in Table 18, rather than the average calculated there?**
- b) The historical kW/kWh ratios have been trending upwards since 2004 for the General Service > 50 kW and Large Use customer classes. Why does Festival Hydro believe it is more accurate to reflect the average ratio rather than the trend in the ratio for these two customer classes?**

**Interrogatory # 16**

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

**Please provide a table in the same level of account detail as the table shown on pages 1 & 2 that shows the most recent year-to-date revenue available for 2009 by account and the corresponding revenue from the same period in 2008 by account.**

**Interrogatory # 17**

**Ref: Exhibit 3, Tab 3, Schedule 2, page 5 & 6**

- a) Please explain the significant reduction in 2009 and 2010 for revenues associated with Administration Fees & inventory stocking for FHSI (Account 4375). Does this decrease reflect the sale of the water heater business?**
- b) Please provide the most recent year-to-date actual figure for 2009 for the Administration Fees & inventory stocking for FHSI (Account 4375) and please provide the figure for the same period in 2008.**
- c) The Street Lighting Capital and Maintenance Revenues shown in Account 4375 appear to be less than the total of the Street Lighting Capital and Maintenance Expenses shown for the City of Stratford and Other Towns in the Service Area Account 4380). Please provide a table that shows the total revenues, total expenses and total margin. Please explain why the revenues do not appear to cover the costs for this function.**

**Interrogatory # 18**

**Ref: Exhibit 3, Tab 3, Schedule 2, page 8**

**The evidence states that for 2009 and 2010 the net interest charge on variance accounts has been placed in the interest expense account.**

- a) What is the net interest charge for 2010?**
- b) Where in the evidence is this amount shown?**
- c) Is this net interest charge reflected in the revenue requirement? Please explain.**

**Interrogatory # 19**

**Ref: Exhibit 3, Tab 2, Schedule 1, Table 12**

**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 12.**

**Interrogatory # 20**

**Ref: Exhibit 3, Tab 2, Schedule 1, Table 14 &  
Exhibit 6, Tab 1, Schedule 1**

**What is the impact on the gross revenue deficiency of \$979,467 shown in Exhibit 6, Tab 1, Schedule 1 if the residential and GS < 50 rate classes were all assumed to be 50% weather sensitive?**

**Interrogatory # 21**

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

- a) What is the impact on the 2010 revenue deficiency if the labour and benefit component of OM&A expenses were increased by 2% in 2010?**
- b) What is the impact on the 2010 revenue deficiency if the labour and benefit component of OM&A expenses were increased by 2% in both 2009 and 2010?**
- c) What is the impact on the 2010 revenue deficiency if the increase for non-unionized employee labour and benefit costs were limited to 2%?**

**Interrogatory # 22**

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

**The evidence states that “the fuel cost driver peaked in 2008” and then for 2009 and 2010 it was projected that “this cost driver to decrease due to anticipated lower and more stable fuel pricing”. However, the table on page 1 continues to show a positive driver for fuel in increasing the OM&A costs in 2009 and 2010. Please explain.**

**Interrogatory # 23**

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

- a) Please provide a breakdown of the \$160,000, of which \$40,000 is included in the 2010 revenue requirement between legal, consulting, OEB and intervenor costs.**
- b) If the current rate application does not require an oral (technical conference, hearing) component, what is the expected reduction in costs in relation to the \$160,000 forecast?**

**Interrogatory # 24**

**Ref: Exhibit 4, Tab 2, Schedule 3, page 17**

**Does Festival Hydro agree that a variance account should be established around the \$25,000 that has been included in the revenue requirement in 2010 and future years associated with the costs of transition to IFRS? If not, why not?**

**Interrogatory # 25**

**Ref: Exhibit 4, Tab 2, Schedule 3, page 17 & 18**

- 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 Festival Hydro agree that the amount included in the 2010 revenue requirement should be removed? If not, why not?**
- b) What is the LEAP amount included in the 2010 revenue requirement?**
- c) Are the charitable donations included in the revenue requirement?**

**Interrogatory # 26**

**Ref: Exhibit 4, Tab 2, Schedule 4, page 5 &  
Exhibit 3, Tab 3, Schedule 2, page 6**

**Please explain how the cost of \$130,683 shown in the 2010 column in the table on page 5 of Exhibit 4, Tab 2, Schedule 4 is related to the \$217,214 figure in the 2010 column in the table on page 6 of Exhibit 3, Tab 3, Schedule 2 for City of Stratford street lighting capital and maintenance costs.**

**Interrogatory # 27**

**Ref: Exhibit 4, Tab 2, Schedule 4, page 6 &  
Exhibit 3, Tab 3, Schedule 2**

**The first table on page 6 of Exhibit 4, Tab 2, Schedule 4 shows \$21,200 that is reflected in account 4375. Where does the remaining \$40,000 in 2010 test year revenues associated with vehicle and direct labour/burden costs show up in Exhibit 3, Tab 3, Schedule 2?**

**Interrogatory # 28**

**Ref: Exhibit 4, Tab 2, Schedule 6, page 3**

- a) Please provide the duties of the Energy Conservation Officer.**
- b) Please provide the total salary & benefits costs associated with this position.**
- c) How was the 40% of the cost of this position to be paid for by the City of Stratford determined?**

**Interrogatory # 29**

**Ref: Exhibit 4, Tab 3, Schedule 2, page 2 &  
Exhibit 2, Tab 2, Schedule 1, page 6**

**The capital addition evidence for 2009 at page 6 of Exhibit 2, Tab 2, Schedule 1 shows the addition of \$45,000 in computer hardware and \$25,000 in computer software. Please explain why the total of these two amounts has been included in CCA Class 45.2 on page 2 of Exhibit 4, Tab 3, Schedule 2. In particular, why was the \$25,000 for computer software included in CCA Class 45.2 rather than CCA Class 12?**

**Interrogatory # 30**

**Ref: Exhibit 4, Tab 3, Schedule 2, page 4 &  
Exhibit 2, Tab 2, Schedule 1, page 8**

**The capital addition evidence for 2010 at page 8 of Exhibit 2, Tab 2, Schedule 1 shows the addition of \$25,000 in computer hardware and \$25,000 in computer software. Please explain why the total of these two amounts has been included in CCA Class 45.2 on page 4 of Exhibit 4, Tab 3, Schedule 2. In particular, why was the \$25,000 for computer software included in CCA Class 45.2 rather than CCA Class 12?**

**Interrogatory # 31**

**Ref: Exhibit 4, Tab 3, Schedule 2, page 6**

- a) Please show the calculation used to forecast the 2010 capital tax of \$20,317.**
- b) If Festival Hydro did not use a capital tax exemption of \$15 million and a rate of 0.075% in the above calculation, please use these figures and recalculate the capital tax amount.**

**Interrogatory # 32**

**Ref: Exhibit 4, Tab 1, Schedule 1, Appendix A, page 31 &  
Exhibit 4, Tab 3, Schedule 2, page 2**

- a) What is included in CCA Class 95 – Not available for use?**
- b) Is any of the \$1,653,892 at the end of 2008 available for use by the end of 2009?**
- c) If the answer to part (b) is yes, please explain where this is shown in the 2009 CCA schedule shown in Exhibit 4, Tab 3, Schedule 2, page 2.**
- d) Please reconcile the 2008 UCC ending balance of \$36,502,661 with the UCC prior year ending balance shown for 2009 of \$34,898,728.**
- e) Please explain the FMV reduction in Class 47 in 2009, when no such adjustment appears to have been made in 2008.**

**Interrogatory # 33**

**Ref: Exhibit 4, Tab 3, Schedule 1, page 97**

- a) Please confirm that the 2009 provincial budget proposed to reduce the provincial corporate income tax rate from 14.0% to 12.0% effective July 1, 2010.**
- b) Please recalculate the income taxes payable based on a 13.0% provincial income tax rate for 2010 and show the impact of this on the revenue requirement.**
- c) Please explain the addition of \$3,900 to accounting income for interest and penalties on taxes.**
- d) Has Festival Hydro included the \$3,900 for interest and penalties on taxes in the revenue requirement in 2010? If so, in which expense account is this found?**
- e) Please explain why the amortization of tangible assets for 2010 of \$2,874,831 does not match the figure of \$2,655,496 shown as depreciation & amortization in Exhibit 6, Tab 1, Schedule 1, page 2.**

**Interrogatory # 34**

**Ref: Exhibit 4, Tab 3, Schedule 1, page 97**

- 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:**

**\*     13% x \$1,500,000 = \$195,000 and**

|                             |                          |
|-----------------------------|--------------------------|
| <b>*     5% x \$500,000</b> | <b>= \$25,000</b>        |
| <b>13% x \$1,000,000</b>    | <b>= \$130,000</b>       |
| <b>2.125% x \$1,000,000</b> | <b>= <u>\$21,250</u></b> |
| <b>Total</b>                | <b>= \$176,250</b>       |

**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 # 35**

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

**The evidence indicates that Festival Hydro has not included any apprenticeship tax credits as it does not consider the amount to be material.**

- a) 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.**
- b) Has Festival Hydro included any tax credits related to the Co-operative Education Tax Credit? If not, why not? If not, please provide a calculation that reflects the 2009 provincial budget changes that increased the credit to 25% of qualifying wages to a maximum of \$3,000.**

**Interrogatory # 36**

**Ref: Exhibit 5, Tab 1, Schedule 1**

- a) Please explain why Festival Hydro believes the deemed long-term debt rate as determined by the OEB should be applicable to the Promissory Note held by the City of Stratford. In particular, is this Promissory Note a variable rate note and/or callable on demand?**
- b) Please show how the long term debt rate of return of 7.40% was calculated.**
- c) What is the most recent interest rate quoted on the Infrastructure Ontario website for a 15 year loan?**
- d) The evidence indicates that the loan was approved by Infrastructure Ontario in October, 2007. Does the approval limit Festival Hydro to a term of 15 years or an amount of \$2.5 million? In other words, can Festival Hydro borrow a different amount and/or have a different term? Please explain fully.**



- e) The evidence indicates that Festival Hydro will use the Infrastructure Ontario loan for smart meters. How will Festival Hydro finance its 2009 and 2010 capital additions?
- f) When does Festival Hydro expect to borrow the money in 2010?
- g) Please confirm that the references to ROE on page 2 in the long term debt and short term debt sections are in error and should be to the Board's methodology of setting the deemed long term and short term debt rates.

**Interrogatory # 37**

**Ref: Exhibit 6, Tab 1, Schedule 1, page 2**

**Please recalculate this schedule, using the tax rate of 31.0% as requested above in Interrogatory # 33, part (b) and also reflecting the reduction in taxes due to the change in the small business tax rate (Interrogatory #34) and including the impacts of tax credits (Interrogatory # 35).**

**Interrogatory # 38**

**Ref: Exhibit 7, Tab 1, Schedule 2**

- a) Festival Hydro proposes to increase the street lighting and sentinel lighting revenue to cost ratios half way from the current ratio to the minimum of the range. Does Festival Hydro propose to move both of these rate classes the rest of the way to the minimum of the range in 2011? If not, what is the proposal?
- b) Does Festival Hydro propose to increase the Residential – Hensall revenue to cost ratio from 91.21% in 2010 to higher levels in 2011, 2012, and/or 2013? Please explain what the proposal is.
- c) Where will the incremental revenues generated in 2011 and beyond that result from moving the street lighting, sentinel lighting and/or Residential – Hensall revenue to cost ratios higher be allocated? In other words, which revenue to cost ratios in excess of 1.00 will be brought down?

**Interrogatory # 39**

**Ref: Exhibit 4, Tab 2, Schedule 7, Appendix C, page 5**

**What is the impact on the depreciation expense of using a 50 year life in place of 30 years for account 1908 Buildings & Fixtures?**

**Interrogatory # 40**

**Ref: Exhibit 9, Tab 1, Schedule 1, page 7 &  
Exhibit 9, Tab 1, Schedule 2, page 5**

**Please update the accounts requested for disposition shown on page 5 of Exhibit 9, Tab 1, Schedule 2 to reflect the Board approved interest rate of 2.45% for Q1 2009, 1.00% for Q2 2009 and 0.55% for Q3 2009 through Q2 2010.**