



**PUBLIC INTEREST ADVOCACY CENTRE**  
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December 22, 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)**  
**EB-2009-0273**  
**Orillia Power Distribution Corporation – 2010 Electricity Distribution Rate**  
**Application**

Please find enclosed the interrogatories of VECC in the above-noted proceeding.

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC  
Encl.

**Orillia Power Distribution Corporation (“OPDC”)**

**2010 Rate Application**

**Round 2 Interrogatory Requests**

**Question #24**

**Reference:** VECC #2 b)

- a) Please indicate the change in the Test Year revenue requirement if the cost estimates reflected 2% as an estimate for inflation, rather than the 3% to 3.5% currently embedded in the cost estimates.

**Question#25**

**Reference:** VECC #2 d)

- a) Please provide the total number of subtransmission poles in OPDC’s service area and briefly explain how the annual level of replacement is consistent with the total number of poles and the average replacement cycle of 25-30 years.

**Question #26**

**Reference:** VECC #2 e)

- a) Please provide the total number of overhead distribution poles in OPDC’s service area and briefly explain how the annual level of replacement is consistent with the total number of poles and the average replacement cycle of 25-30 years.

**Question #27**

**Reference:** VECC #2 j)

- a) Please provide details with respect to the estimated vehicle replacement costs, e.g., number of bids solicited, exact bids or quotes obtained, robustness of estimates, etc.

### **Question #28**

**Reference:** VECC #5 a) and b)

- a) Given that OPDC's evidence is that (i) it uses a zero-based budgeting exercise to determine annual capital spending and that (ii) usually construction activity is relatively high in the spring and summer, please explain why capital spending appears to be heavily skewed towards the last half of the year for both 2008 and 2009.

### **Question #29**

**Reference:** VECC #17 a) and b)

- a) Given the referenced responses, is it possible that the shareholder could demand repayment of the loan and also refuse to allow OPDC to enter into a third party debt obligation? If so, does this amount to the shareholder being able to require OPDC to enter into a new, long-term debt obligation with the shareholder at the shareholder's sole discretion? Please explain fully.

### **Question #30**

**Reference:** VECC #10 d)

- a) What portion of Orillia's total sales in 2008 were associated with industrial loads?

### **Question #31**

**Reference:** VECC #10 i) and OEB Staff 16 a)

- a) Please provide a copy of the OPA report on Orillia's CDM savings over the 2006-2008 period. If not included in the report, please provide a schedule that sets out for each CDM program details regarding the number of participants and assumptions regarding free riders and unit savings. Also, please indicate the source of the unit savings assumptions.

- b) What customer classes contributed to the 5.2 GWh in CDM savings? Please break the 5.2 GWh down by customer class.

**Question #32**

**Reference:** VECC #11 b)

- a) Please provide a schedule that sets out for the years 2007 to 2010 the annual capital (gross and net of contributions) spending on new connections and the annual capital (gross and net of contributions) spending on upgrades.

**Question #33**

**Reference:** VECC #11 k)

- a) Please provide the actual average monthly generation for those months that the generator has now been in operation.

**Question #34**

**Reference:** VECC #11 m)

- a) Please confirm that the 1.5% reflects the cumulative CDM savings over 2006-2008 and, as a result, will generally be already included in the 2008 usage reported. As result, why is it appropriate to assume these savings will result in a 1.5% reduction in usage between 2008 and 2009?

**Question #35**

**Reference:** VECC #18 b)  
Exhibit 6/Tab 1/Schedule 1, page 3

- a) Based on the responses to the second round of interrogatories from all parties please prepare a schedule that sets out all the adjustments/revisions that Orillia has acknowledged as being required to the currently requested 2010 revenue requirement and the impact of each.
- b) Please update the Revenue Deficiency calculation to incorporate the effect of the Board's EB-2009-0084 Report – Cost of Capital for Ontario's Regulated Utilities.

**Question #36**

**Reference:** Exhibit 8/Tab 5/Schedule 3, page 1

- a) Based on the updated revenue deficiency from Question #35 b) is any rate mitigation required for the 2010 proposed rates?