

**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 Essex  
Powerlines Corporation for an Order or Orders  
approving or fixing just and reasonable rates and  
other charges for the distribution of electricity  
commencing May 1, 2010.**

**INTERROGATORIES  
of the  
School Energy Coalition**

12. Ref: SEC IR#6: the table shows that bad debt costs decrease by \$75,867 in 2009 with no increase thereafter for 2010. Please explain then why, in SEC IRR#2, EPC states that increased Bad Debt costs are contributing \$37,500 to the revenue deficiency for the test year.

**Response:**

The 2008 bad debt expense includes an extraordinary write off of an intermediate customer, who went into receivership, in the amount of \$113,367. Therefore, the 2009 bad debt expense was reduced by this non-recurring amount and then increased by the \$37,500 based on our assumptions of increases in bad debt due to the economy.

13. Ref: SEC IR#7(b): what is the monetary value of the incentive compensation payments assumed for 2010 and included in the 2010 revenue requirement?

**Response:**

The incentive compensation payments included in the 2010 revenue requirements were \$8,088.