Chatham-Kent Hydro Inc.

EB-2009-0261

Responses to Second Round Energy Probe Interrogatories

Question #67

Ref: Energy Probe Interrogatory # 5

The table provided in the response to part (c) shows additions to accumulated depreciation of $3.911 million through the end of November 2009, or approximately $0.356 million per month. The original forecast shown in Table 2-10 of Exhibit 2, Tab 2, Schedule 1 shows a forecast for the entire year of $3.946 million.

a) Please provide the current estimate (if an actual figure is not available) for the additions to accumulated depreciation at the end of 2009.

b) What is driving the different in additions to accumulated depreciation at the end of 2009 as compared to the forecast?

c) Part (d) of the response indicates that 2009 additions will be approximately $300,000 lower than forecast. Please indicate which asset categories contribute to the reduction from forecast.

Answer:

a) The schedule provided in CK Hydro's response to Energy Probe Interrogatory #5 c) had a full year of depreciation expense for the 2009 year. The answer incorrectly stated that it was year to date depreciation expense up to November 30, 2009. The current estimate for the year end depreciation expense is $3.911 M.

b) The difference between the original forecast and the full year depreciation is minimal:

Original Forecast	$3.946 M
Interrogatory #5 response	$3.911 M
Difference	$0.035 M

c) At the time of preparing CK Hydro's response to Energy Probe Interrogatory #5, capital additions for 2009 were estimated to be $3.9 million. The current estimate of capital additions for 2009 is $4.1 million. The table below shows the variances by category between the original forecast in the rate application and the current estimate as well as the estimate provided in CK Hydro's response to Energy Probe Interrogatory #5.

	IR #5 Response	IR # 67 Response
Original Estimate	$4.2 M	$4.2 M
Load transfer	($0.2 M)	$0.0 M
Land purchase	($0.2 M)	($0.2 M)
Smart Meter – GS > 50 kW	$0.0 M	$0.3 M
Other	$0.1 M	($0.2 M)
Year End Estimate	$3.9 M	$4.1 M

Question #68

Ref: Energy Probe Interrogatory # 9

a) The response indicates that for new residential connections, a cost of $145,785 was incurred for 140 connections, or $1,041 per connection in 2008. The forecast for 2009 is $200,755 for 70 connections, or $2,868 per connection. The forecast for 2010 is $254,128 for 117 connections, or $2,172 per connection. Please explain the significant increase in the cost per connection forecast for 2009 and 2010. What is the most recent average cost per connection experienced in 2009?

b) The response indicates that for new commercial/industrial connections, a cost of $61,011 was incurred for 30 connections, or $2,034 per connection in 2008. The forecast for 2009 is $149,521 for 25 connections, or $5,981 per connection. The forecast for 2010 is $205,285 for 29 connections, or $7,079 per connection. Please explain the significant increase in the cost per connection forecast for 2009 and 2010. What is the most recent average cost per connection experienced in 2009?

Answer:

a) Connection cost for new residential services are presently broken down into two budgets: New Residential and Detached Residential. Combining the cost and number of connections from both budgets gives a better overall view of the total connection cost. This results in a total per connection cost of $2,457 and $3,107 for 2008 and 2009 respectively. The forecasted 2010 connection cost is $2,658.

	2007 Actual	2008 Actual	2009 Actual	2009 Forecast	2010 Forecast (as Filed)
New Residential					
Total $	$181,462	$145,785	$150,570	$200,755	$254,128
Connections	152	140	67	70	117
Cost per Connection	$1,194	$1,041	$2,247	$2,868	$2,172
Detached Residential					
Total $	$442,857	$335,706	$331,009	$245,486	$189,675
Rebuilds	53	56	88	50	50
Cost per Connection	$8,356	$5,995	$3,761	$4,910	$3,794
Total Connection Cost	$624,319	$481,491	$481,579	$446,241	$443,803
Total Connections	205	196	155	120	167
Cost per Connection	$3,045	$2,457	$3,107	$3,719	$2,658

b) The cost to connect a new commercial/industrial customer can vary significantly depending on the existing distribution system that is in place and the customer requirements for the new service. Given the small number of total commercial/industrial connections, one medium to large commercial/industrial connection can significantly affect the average connection cost. Our 2010 forecast includes one medium size service.

In 2009 there were 28 new commercial/industrial connections and actual expenditures of $111,732, which calculates to $3,990 per connection.

Question #69

Ref: Energy Probe Interrogatory # 10

a) The response to part (a) is not complete. Please provide the forecast number of residential rebuilds in 2009 and 2010.

b) Please complete the following table for residential rebuilds.

	2006	2007	2008	2009	2010
Annual Expenditure	37,029	28,749	14,103	30,780	47,757
Number of Rebuilds	25	14	8		
Average per Rebuild	1,481	2,054	1,763		

Please explain any significant deviation in the average per rebuild in 2009 and 2010 from that in 2006 through 2008.

c) Please explain the significant increase in the average cost per rebuild for the commercial/industrial customers as shown in the following table.

	2006	2007	2008	2009	2010
Annual Expenditure	213,356	147,665	264,157	175,500	202,394
Number of Rebuilds	60	43	37	8	6
Average per Rebuild	3,556	3,434	7,139	21,938	33,732

Answer:

a) See table below.

b)

	2006	2007	2008	2009	2010
Annual Expenditure	37,029	28,749	14,103	30,780	47,757
Number of Rebuilds	25	14	8	8	13
Average per Rebuild	1,481	2,054	1,763	3,847	3,673

This budget is used to rebuild small sections of the distribution system that supply residential customers and upgrade service conductors to existing customers. The total expenditures in this budget are not solely related to the number of actual customers. A rebuild project may replace a section of the distribution system supplying residential customers but not affect specific customers, causing fluctuating per customer rebuild expenditures.

c) The Commercial and Industrial rebuild budget is used to expand or enhance the distribution system to accommodate customer upgrades to existing customers. The cost of connection will vary depending on the type and size of enhancements that are required. This may include simply making secondary connections to replacing several poles, conductors and transformers, causing fluctuation per customer rebuild expenditures.

Question #70

Ref: Energy Probe Interrogatory # 16 &
Energy Probe Interrogatory # 5 (d) &
Energy Probe Interrogatory # 21

The response to Energy Probe Interrogatory # 16 indicates that about 50% of the expenditures associated with long term load transfers will not be completed by year end 2009. This represents capital expenditures of approximately $206,000. The response to Energy Probe Interrogatory # 21 indicates that $200,000 will not be spent on the land purchase by the end of 2009. Are these amounts included as part of the $300,000 noted in the response to Energy Probe Interrogatory # 5 (d)?

Answer:

Both amounts were included as part of the $300,000 noted in CK Hydro's response to Energy Probe Interrogatory #5 d). As shown in CK Hydro's response to Energy Probe Interrogatory #67, additional capital expenditures were also expected by year end to result in an overall shortfall of $300,000. The estimate of capital expenditures for 2009 is now $4.1 million. Additional details with respect to the updated estimate can be found in CK Hydro's response to Energy Probe Interrogatory #67.

Question #71

Ref: Energy Probe Interrogatory # 22

The response provided indicates that Chatham-Kent Hydro owns the property at 320 Queen Street and that the Green Data Centre building to be built on the property will be owned by Chatham-Kent Utility Services.

Please indicate how Chatham-Kent Hydro has allocated the costs associated with the property at 320 Queen Street between the regulated utility and its affiliate. For example, is Chatham-Kent Hydro receiving rental income for the land? What percentage of the property/land at 320 Queen Street will be utilized by the regulated utility? What is the value of the land included in rate base associated with the property at 320 Queen Street?

Answer:

All incremental costs related to the Green Data Centre are borne by CK Utility Services. Rent is charged by CK Hydro to its affiliates based on the costs associated with the property at 320 Queen Street and the square footage utilized by each entity within the building. The rent charged by CK Hydro was not adjusted in the rate application for the use of its land by CK Utility Services for the data centre. The table below shows the value of the land and square footage in total as well as the portion utilized by the data centre.

	Land Sq Ft	$ in Rate Base
320 Queen St (total)	237,707	568,511.56
Data Centre *	7,200	
Data Centre % of Sq Ft	3.0%	

* including generator and transformer space

Question #72

Ref: Energy Probe Interrogatory # 28

a) Please confirm that some GS < 50 kW customers are non-RPP customers.

b) Please confirm that more customers have been moved to non-RPP status since 2008.

c) Please re-calculate the commodity costs shown in the response to part (e) using the actual 2008 figure of 64% of the total kWh.

Answer:

a) Yes, some GS<50 kW customers are non-RPP customers.

b) Yes, since 2008 more customers (30) have moved to non-RPP status.

c) A revised table using the 2010 volume usage with the 64% non RPP kWh is provided below:

Class per Load Forecast					
Class per Load Forecast	**2010**	**2010 Loss Factor**	**2010**		
Residential	127,680,873	1.0443	133,342,762	$0.0582	$7,760,549
General Service < 50 kW	55,630,780	1.0443	58,097,675	$0.0582	$3,381,285
General Service > 50 to 999 kW	117,131,842	1.0443	122,325,944	$0.0582	$7,119,370
Intermediate	86,266,458	1.0443	90,091,864	$0.0582	$5,243,346
Large Use	0	0.0000	0	$0.0582	$0
Streetlights	214,061	1.0443	223,553	$0.0582	$13,011
Sentinel Lights	3,550,344	1.0443	3,707,781	$0.0582	$215,793
Unmetered Scattered Loads	666,740	1.0443	696,306	$0.0582	$40,525
Standby	19,860,279	1.0443	20,740,965	$0.0582	$1,207,124
TOTAL	**411,001,377**		**429,226,850**		**$24,981,003**

Electricity - Commodity		**2010 Loss**			
Class per Load Forecast	**2008 Actual**	**Factor**	**2010**		
Residential	71,820,491	1.0443	75,005,304	$0.0622	$4,661,580
General Service < 50 kW	31,292,314	1.0443	32,679,942	$0.0622	$2,031,058
General Service > 50 to 999 kW	65,886,661	1.0443	68,808,344	$0.0622	$4,276,439
Intermediate	48,524,883	1.0443	50,676,674	$0.0622	$3,149,555
Large Use	0	0.0000	0	$0.0622	$0
Streetlights	120,409	1.0443	125,749	$0.0622	$7,815
Sentinel Lights	1,997,068	1.0443	2,085,627	$0.0622	$129,622
Unmetered Scattered Loads	375,041	1.0443	391,672	$0.0622	$24,342
Standby	11,171,407	1.0443	11,666,793	$0.0622	$725,091
TOTAL	**231,188,275**		**241,440,103**		**$15,005,502**

Transmission - Network		**Volume**			
Class per Load Forecast		**Metric**	**2010**		
Residential		kWh	208,348,066	$0.0048	$1,000,071
General Service < 50 kW		kWh	90,777,617	$0.0043	$390,344
General Service > 50 to 999 kW		kW	502,112	$1.7720	$889,742
Intermediate		kW	322,877	$1.8882	$609,657
Large Use		kW	0		$0
Streetlights		kW	1,079	$1.3460	$1,452
Sentinel Lights		kW	18,432	$1.3363	$24,631
Unmetered Scattered Loads		kWh	1,087,979	$0.0043	$4,678
Standby		kW	83,730	$1.8888	$158,149
TOTAL			**301,141,892**		**$3,078,724**

Transmission - Connection		**Volume**			
Class per Load Forecast		**Metric**	**2010**		
Residential		kWh	208,348,066	$0.0041	$854,227
General Service < 50 kW		kWh	90,777,617	$0.0037	$335,877
General Service > 50 to 999 kW		kW	502,112	$1.4556	$730,874
Intermediate		kW	322,877	$1.5942	$514,731
Large Use		kW	0		$0
Streetlights		kW	1,079	$1.1475	$1,238
Sentinel Lights		kW	18,432	$1.1244	$20,725
Unmetered Scattered Loads		kWh	1,087,979	$0.0037	$4,026
Standby		kW	83,730	$1.5942	$133,482
TOTAL			**301,141,892**		**$2,595,180**

Wholesale Market Service					
Class per Load Forecast			**2010**		
Residential			208,348,066	$0.0052	$1,083,410
General Service < 50 kW			90,777,617	$0.0052	$472,044
General Service > 50 to 999 kW			191,134,288	$0.0052	$993,898
Intermediate			140,768,538	$0.0052	$731,996
Large Use			0	$0.0052	$0
Streetlights			349,301	$0.0052	$1,816
Sentinel Lights			5,793,407	$0.0052	$30,126
Unmetered Scattered Loads			1,087,979	$0.0052	$5,657
Standby			32,407,758	$0.0052	$168,520
TOTAL			**670,666,953**		**$3,487,468**

Rural Rate Assistance					
Class per Load Forecast			**2010**		
Residential			208,348,066	$0.0013	$270,852
General Service < 50 kW			90,777,617	$0.0013	$118,011
General Service > 50 to 999 kW			191,134,288	$0.0013	$248,475
Intermediate			140,768,538	$0.0013	$182,999
Large Use			0	$0.0013	$0
Streetlights			349,301	$0.0013	$454
Sentinel Lights			5,793,407	$0.0013	$7,531
Unmetered Scattered Loads			1,087,979	$0.0013	$1,414
Standby			32,407,758	$0.0013	$42,130
TOTAL			**670,666,953**		**$871,867**

	2010
4705-Power Purchased	$39,986,505
4708-Charges-WMS	$3,487,468
4714-Charges-NW	$3,078,724
4716-Charges-CN	$2,595,180
4730-Rural Rate Assistance	$871,867
4750-Low Voltage	$228,345
TOTAL	**50,248,090**

Question #73

Ref: Energy Probe Interrogatory # 30

The response to part (b) of the question indicates that any variable that resulted in an increase in the R2 value was kept. Please explain which R2 variable is being referred to: the R square or the adjusted R square that are both shown in the regression analysis on page 11 of Exhibit 3, Tab 2, Schedule 1.

Answer:

R^2 was used for all calculations and evaluations.

Question #74

Ref: Energy Probe Interrogatory # 33 & VECC Interrogatory # 11 (c)

Please provide a reconciliation of the volume decrease of 98,631,273 kWh shown in Table 3-11 that is supposed to be based on the average of 2002 through 2007 with the figures provided in the table in response to VECC # 11 (c).

Answer:

The following is a calculation of the volume adjustment for the customers shut down/slow downs:

Customers Closed	kWh 2002	kWh 2003	kWh 2004	kWh 2005	kWh 2006	kWh 2007	kWh 2008	kWh 2009		Average	Loss Factor	Total Reduction
Customer 1	403,172	422,786	524,297	596,924	551,865	365,194	110,354			424,942	1.04430	443,767
Customer 2	8,387,497	9,666,377	10,630,289	9,375,866	8,611,997	8,349,700	1,640,564			8,094,613	1.04430	8,453,204
Customer 3					873,482	1,238,559	1,205,390			473,919	1.04430	494,913
Customer 4A	1,272,827	1,686,539	2,048,210	1,965,327	1,861,937	1,230,644	229,921			1,470,772	1.04430	1,535,927
Customer 4B	2,518,374	2,426,834	2,673,598	2,920,363	2,579,471	2,962,591	795,929			2,411,023	1.04430	2,517,831
Customer 4C							175,268			175,268	1.04430	183,032
Customer 5 A							182,178			182,178	1.04430	190,248
Customer 5B	1,507,558	1,478,077	1,486,239	1,189,871	1,163,800	1,125,106	774,571	49,000		1,253,460	1.04430	1,308,988
Customer 6	1,644,275	1,510,683	937,874	851,863	508,437	103,025	38,948			799,301	1.04430	834,710
Customer 7	19,942,541	18,027,053	20,547,731	21,115,019	18,212,698	16,541,416	7,386,752			17,396,173	1.04430	18,166,823
Customer 8	12,184,699	12,569,904	14,524,643	15,083,516	15,133,425	15,999,793	13,839,060			14,190,720	1.04430	14,819,369
Customer 9	512,986	488,255	504,455	542,129	810,282	1,333,920	1,489,965			811,713	1.04430	847,672
Customer 10	554,617	646,015	659,012	736,621	595,804	373,151	228,414			541,948	1.04430	565,956
Customer 11						302,290	319,251			310,771	1.04430	324,538
Customer 12	25,161,314	23,641,653	29,010,762	33,258,177	38,553,008	35,525,700	32,138,492			31,041,301	1.04430	32,416,430
Customer 13	11,212,351	11,061,956	10,756,803	10,486,887	9,764,304	8,224,414	7,713,829	1,574,194		9,888,649	1.04430	10,326,716
	85,302,211	83,626,132	94,303,913	98,122,563	99,220,510	93,675,503	68,268,886	1,623,194		89,466,749		93,430,126

Customers Slow down	kWh 2002	kWh 2003	kWh 2004	kWh 2005	kWh 2006	kWh 2007	kWh 2008	3 months kWh 2009	Annual kWh 2009	Average	kWh 2009	Difference	Loss Factor	Total Reductio
Customer 14	1,514,327	1,638,819	1,674,923	1,602,715	1,667,528	1,672,583	1,484,123	318,812	1,275,246	1,607,860	1,275,246	332,614	1.04430	347,348
Customer 15	1,215,754	551,296	945,617	1,538,355	1,551,310	1,260,169	760,122	30,154	120,614	1,117,518	120,614	996,903	1.04430	1,041,066
Customer 16	6,336,860	5,830,261	5,488,683	5,130,362	4,679,530	4,378,973	4,030,531	1,008,470	4,033,882	5,125,029	4,033,882	1,091,147	1.04430	1,139,485
	9,066,941	8,020,376	8,109,223	8,271,432	7,898,368	7,311,725	6,274,776	1,357,436	5,429,742	7,850,406	5,429,742	2,420,664		2,527,899

Customers Slow down	kWh 2002	kWh 2003	kWh 2004	kWh 2005	kWh 2006	kWh 2007	kWh 2008	kWh 2009	kWh 2009	Average	1/2 LOAD	Difference	Loss Factor	Total Reductio
Customer 17 A	1,384,684	1,274,637	1,162,243	1,328,009	1,192,084	1,257,656	1,243,208	477,432	1,909,728	1,263,217	631,609	631,609	1.04430	659,589
Customer 17 B	2,625,493	1,701,609	1,709,772	1,775,701	1,699,640	2,039,137	2,457,518	609,354	2,437,416	2,001,267	1,000,634	1,000,634	1.04430	1,044,962
Customer 17 C	2,099,604	1,927,653	1,871,142	1,904,421	1,822,146	1,708,076	1,653,422	332,946	1,331,784	1,855,209	927,605	927,605	1.04430	968,697
	6,109,782	4,903,899	4,743,157	5,008,130	4,713,870	5,004,869	5,354,149	1,419,732	5,678,928	5,119,694	2,559,847	2,559,847		2,673,248

Final Load Adjustment

	Average Usage	Loss Factor	Final Adjustment
Customers Closed 2008 - Decrease Load	89,466,749	1.04430	93,430,126
Customers Slow Down - Decrease Load	2,420,664	1.04430	2,527,899
Customer Slow Down Wheels - Decrease Load	2,559,847	1.04430	2,673,248
	94,447,260		98,631,274

Question #75

Ref: Energy Probe Interrogatory # 32 & VECC Interrogatory # 11 (a)

The second table requested in part (b) of Energy Probe Interrogatory should have requested the use of cooling degree days rather than heating degree days.

a) Please update the table provided in response to VECC Interrogatory # 11 (a) to include December 2009 actual information.

b) Please update the two tables provided in the response to Energy Probe Interrogatory # 32 part (b), with the second table corrected to reflect cooling degree days, for the 12 month period in 2009.

Answer:

a) The table below has been updated to include December 2009 actual information.

Month	Predicted	Actual	difference	%
January	72,724,870	70,151,166	- 2,573,704	-3.7%
February	62,829,046	61,402,562	- 1,426,484	-2.3%
March	67,217,271	63,603,438	- 3,613,833	-5.7%
April	59,341,806	55,871,387	- 3,470,419	-6.2%
May	60,962,841	53,642,004	- 7,320,837	-13.6%
June	70,579,978	57,547,966	- 13,032,012	-22.6%
July	76,576,209	60,227,287	- 16,348,922	-27.1%
August	75,746,646	68,100,545	- 7,646,101	-11.2%
September	67,540,266	59,927,601	- 7,612,665	-12.7%
October	62,650,944	56,877,549	- 5,773,395	-10.2%
November	61,479,258	56,358,658	- 5,120,600	-9.1%
December	64,935,723	62,731,399	- 2,204,324	-3.5%
Total	802,584,858	726,441,562	- 76,143,296	-10.5%

b) The following charts are the HDD and CDD 10 Year Average compare to the actual 2009:

	Fcst Heating Degree Days (a)	Actual Heating Degree Days (b)	Difference (c) = (b) - (a)	Equation Coefficient (d)	Heating Degree Day Impact (e) = (c) x (d)
Jan	799.1	799.1	0	20,843.40	0
Feb	540.7	552.9	12.2	20,843.40	254,289.5
Mar	472.3	463.8	-8.5	20,843.40	(177,168.9)
Apr	271.2	263.4	-7.8	20,843.40	(162,578.5)
May	100.3	75.8	-24.5	20,843.40	(510,663.3)
Jun	20.6	25.3	4.7	20,843.40	97,964.0
Jul	1.2	1.4	0.2	20,843.40	4,168.7
Aug	2.9	6.7	3.8	20,843.40	79,204.9
Sep	54.7	28	-26.7	20,843.40	(556,518.8)
Oct	197.8	247.6	49.8	20,843.40	1,038,001.3
Nov	357.5	320.8	-36.7	20,843.40	(764,952.8)
Dec	595.5	603.4	7.9	20,843.40	164,662.9
Total	3,413.8	3,388.2	-25.6		(533,591.0)

	Fcst Cooling Degree Days (a)	Actual Cooling Degree Days (b)	Difference (c) = (b) - (a)	Equation Coefficient (d)	Cooling Degree Day Impact (e) = (c) x (d)
Jan	0	0	0	123,729.78	-
Feb	0	0	0	123,729.78	-
Mar	0.4	0	-0.4	123,729.78	(49,491.9)
Apr	1.3	11.1	9.8	123,729.78	1,212,551.8
May	25.1	14.8	-10.3	123,729.78	(1,274,416.7)
Jun	108.1	70.1	-38	123,729.78	(4,701,731.6)
Jul	152.7	88	-64.7	123,729.78	(8,005,316.8)
Aug	128.5	124.3	-4.2	123,729.78	(519,665.1)
Sep	50.1	47.5	-2.6	123,729.78	(321,697.4)
Oct	4.4	0	-4.4	123,729.78	(544,411.0)
Nov	0	0	0	123,729.78	-
Dec	0	0	0	123,729.78	-
Total	303.2	180.4	-114.8		(14,204,178.7)

Question #76

Ref: Energy Probe Interrogatory # 34 (d)

The response indicates that CDM that took place in 2007 and 2008 is not reflected in the historical data or the regression analysis. Please indicate how the historical data was altered to remove the actual CDM impacts in 2007 and 2008.

Answer:

Question #77

Ref: Energy Probe Interrogatory # 35

a) Please explain the derivation of the manual adjustment of 101,717,086 provided in the response in relation to the manual adjustment of 102,236,148 shown in Table 3-9.

b) Please explain why the billed energy figure shown for 2010 on page 18 of Exhibit 3, Tab 2, Schedule 1 is not 646,007,526 kWh being the 674,625,659 shown in Table 3-9 as the predicted amount after adjustments, divided by 1.0443?

Answer:

a) Please see CK Hydro's response to VECC question #12 o).

b) CK Hydro agrees with the calculations provided by Energy Probe in the question above. The main difference is CK Hydro calculated the losses before the manual adjustment when it should have been calculated after the manual adjustment. The adjusted calculations for the retail consumption are as follows:

Year	Load Forecast Predicted	Manual Adjustment	Predicted after Manual Adjust.	Loss Factor	Amount
2008	844,806,883		844,806,883	1.0443	808,969,533
2009 (B)	802,584,558	102,236,148	700,348,410	1.0443	670,639,098
2010 (T)	776,861,807	102,236,148	674,625,659	1.0443	646,007,526

Question #78

Ref: Energy Probe Interrogatory # 41

The response indicates that there would be an increase in the revenue deficiency if the Hydro One weather sensitivity allocation was used rather than that proposed by Chatham-Kent Hydro (response to part (d)). However, as shown in the response to part (g), the rate impact impacts shown are nearly all small decreases as compared to increases in the original Table 1-2. Further, the monthly dollar figures in the revised Table 1-2 do not appear to be consistent with those in the original table. Please provide a corrected version of Table 1-2 as the response to part (f) of the original interrogatory.

Answer:

Class – Typical Usage	Monthly Dollar Impact	Total Bill Impact %
Residential - 800 kWh		
2010 total bill	94.19	1.55%
2009 total bill	92.76	
General Service <50 kW – 2,000 kWh		
2010 total bill	231.05	3.09%
2009 total bill	224.00	
General Service >50 kW - 250 kW		
2010 total bill	9,417.89	6.83%
2009 total bill	8,815.60	
General Service Intermediate - 4,000 kW		
2010 total bill	145,116.57	-0.87%
2009 total bill	146,388.04	
Street Lighting		
2010 total bill	60,726.78	28.81%
2009 total bill	47,143.13	
Sentinel Lighting		
2010 total bill	5,668.31	39.78%
2009 total bill	4,055.11	
Unmetered Scattered Load		
2010 total bill	96,782.85	-0.98%
2009 total bill	97,741.89	
Standby Charge - 8,000 kW		
2010 total bill	229,223.51	1.49%
2009 total bill	225,864.52	

Question #79

Ref: Energy Probe Interrogatory 45 (a)

The response provided is not complete. Please explain why account 4080 does not appear in Table 3-27. Based on the $105,000 in this account, does Chatham-Kent Hydro agree that the revenues shows in Table 3-27 should be increased by $105,000 for 2010? If not, why not?

Answer:

CK Hydro agrees that the revenues shown in Table 3-27 should be increase by $105,000.

Question #80

Ref: Energy Probe Interrogatory # 59

Please confirm that the total CCA for the test year shown in Appendix H of the response of $3,639,807 does not include the $56,000 associated with CCA Class 52.

Answer:

Yes, the total CCA for the test year shown in Appendix H of CK Hydro's response to Energy Probe Interrogatory #59 does not include the $56,000 associated with Class 52 CCA.

Question #81

Ref: SEC Interrogatory # 9 (b)

Please provide the impact on the actual working capital calculations that have changed as a result of moving to monthly billing.

Answer:

Upon revisiting the anticipated impact on working capital of moving to monthly billing, CK Hydro has concluded that its working capital will not change. Some of the current assets balances (unbilled revenue, accounts receivable and cash) which are included in the calculation of working capital will change, but the changes will offset each other and the overall current asset total will remain the same.

Question #82

Ref: SEC Interrogatory # 13 &
Board Staff Interrogatory # 28

Please reconcile the $160,000 referred to in the SEC Interrogatory with the figures provided in response to Board Staff.

Answer:

The $160,000 referred to in SEC Interrogatory #13 for services from Borden Ladner Gervais ("BLG") are for legal and consulting (regulatory and rates) services. Therefore the consulting services referred to Board Staff Interrogatory #28 are partially incurred by the service provided from BLG.

Additional details of the response to Board Staff Interrogatory #28 are as follows:

Cost Category	Service provider	Cost
Legal	BLG	$120,000
Consulting – regulatory and rates	BLG	$40,000
Consulting – CDM, LRAM, other costs	EnerSpectrum, Elenchus, other	$40,000
Intervener	Various	$80,000
Total		$280,000

Question #83

Ref: Board Staff Interrogatory # 23

The EB-2008-0150 Report of the Board dated March 10, 2009 indicated that distributors should include 0.12% of their distribution revenue requirement as an eligible cost for recovery.

a) Did Chatham-Kent Hydro include this amount in the 2010 revenue requirement and if so, what is the dollar amount?

b) What amount of assistance has Chatham-Kent Hydro provided in the past?

Answer:

a) CK Hydro did not include an expenditure in the revenue requirement as a result of EB-2008-0150.

b) The Salvation Army has received $3,000 per annum for the last couple years.

Question #84

Ref: Board Staff Interrogatory # 26 (b)

The response indicates that the six new positions will be filled in the second quarter of 2010, but that Chatham-Kent Energy has included full year costs for the labour.

a) Please provide the full year costs for the labour associated with these six positions in total that are included in the revenue requirement.

b) Please provide the actual 2010 forecast of costs associated with these six positions in total based on forecasted filling timelines.

c) Please provide separately the estimated labour costs for the two apprenticeship positions that will be hired in 2010, along with the projected timing of these hires.

Answer:

a) $300,000 in O&M and $200,000 in Capital.

b) $225,000 in O&M and $150,000 in Capital.

c) The estimated labour cost for 2 first year apprentices is $120,000. This will escalate by approximately 10% annually as the apprentice progresses to full Journeyperson status over 4 years. As the 2 apprentices will be hired in the 2nd quarter of 2010, the total labour costs in 2010 will be $90,000 of which 60% are O&M expenditures.

Question #85

Ref: Board Staff Interrogatory # 27 &
Exhibit 4, Tab 2, Schedule 5, Table 4-16

a) Are the expenses of $110,000 and $75,000 shown in the response to Board Staff in addition to the $50,000 allocated from the affiliate shown in Table 4-16? Please explain.

b) Is the $75,000 cost associated with new financial systems capitalized? If not, why not?

Answer:

a) Yes, a description of the costs is provided below:

Description	Costs
Staffing Costs - allocation	$110,000
New Financial System - allocation	$75,000
Third Party Costs - allocation	$50,000

b) The $75,000 is CK Hydro's annual share of the amortization and support costs of the new financial system from CK Utility Services.