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February 18, 2010

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-2009-0270**

**North Bay Hydro Distribution Limited – 2010 Cost of Service Application  
Second Round Interrogatories of Energy Probe**

Pursuant to Procedural Order No. 2, issued by the Board on February 10, 2010, please find attached two hard copies of the Second Round Interrogatories of Energy Probe Research Foundation (Energy Probe) in the EB-2009-0270 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: Todd Wilcox, North Bay Hydro Distribution Limited (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 North Bay  
Hydro Distribution Limited for an order approving just and  
reasonable rates and other charges for electricity  
distribution to be effective May 1, 2010.

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

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**February 18, 2010**

**NORTH BAY HYDRO DISTRIBUTION LIMITED  
2010 RATES REBASING CASE  
EB-2009-0270**

**ENERGY PROBE RESEARCH FOUNDATION  
SECOND ROUND INTERROGATORIES**

**Note: Numbering follows from the initial round of interrogatories.**

**Interrogatory # 29**

**Ref: Energy Probe Interrogatory #1**

**Given the additional time since the responses to the interrogatories were filed, does North Bay Hydro now have any estimate of the amount of the provincial retail sales tax included in the 2010 OM&A and/or capital expenditures or any estimate of the actual amount paid in any previous year? If yes, please provide the information.**

**Interrogatory # 30**

**Ref: Energy Probe Interrogatory #2**

**Is the \$6,000 related to the provision of any specific service from North Bay Hydro Holdings Limited? If so, please elaborate.**

**Interrogatory # 31**

**Ref: Energy Probe Interrogatory #3**

**The response provided is not adequate as it does not update the bill impact for the HST impact. The HST impact is the impact on the customer's bill, not the impact on the OM&A costs of the company. Please provide updated bill impacts as shown in Exhibit 8, Appendix 8-A that reflect the 9.75% ROE and an HST rate of 9% in place of the 5% GST.**

**Interrogatory # 32**

**Ref: Energy Probe Interrogatory #5**

- a) Please confirm that the response to part (a) should reference Appendix A rather than Appendix B.
- b) Please confirm that the figure of \$6,199,779 shown in Appendix A is comparable to the figure of \$8,251,981 shown in Exhibit 2, Table 2-10. If this is not the comparable figure, please indicate what the comparable figure is and where it is shown in the original evidence.
- c) Please explain the variance from the original 2009 capital addition forecast to the response provided in Appendix A. In particular, please explain any major variances and whether the decrease is related to deferral of projects to 2010, deferral of projects to 2011 or after, lower cost projects, or cancelled projects.
- d) Please provide a table that shows for each of the projects listed in the response to part (b), the total expenditures included in the 2009 budget. Please also indicate whether each of these projects will be in service by the end of 2010.
- e) Based on the capital expenditures shown in the response at Appendix A, what is the amount of work-in-progress at the end of 2009?
- f) What is the estimated amount of contributions and grants that is included in the total asset additions of \$6,199,779 shown in Appendix A?

**Interrogatory # 33**

**Ref: Energy Probe Interrogatory #9**

**Please provide the information as requested in interrogatory #9 for the equation as shown in the response to part (a) but with the addition of the trend variable.**

**Interrogatory # 34**

**Ref: Energy Probe Interrogatory #12 &  
VECC Interrogatory #13 (c)**

**Please provide actual revenues associated with the SSS administration charge for 2009.**

**Interrogatory #35**

**Ref: Energy Probe Interrogatory # 22(g) &  
Board Staff Interrogatory # 14**

**The response to the Board Staff interrogatory indicates that:**

**“Due to this arrangement the amount for contracted services does not show a decrease nor does the Affiliate Administration Fee.”**

- a) Please explain where in Table 4-19 provided in the Board Staff interrogatory response is the cost associated with the NBHS employee referred to in the response and please explain the total variance in this line item from the amount in the previous year.**
- b) Please explain the significant decrease in the level of purchases by NBHS shown in 2010 in the response to Board Staff, on which the 15% administration fee is applied.**

**Interrogatory # 36**

**Ref: Energy Probe Interrogatory # 13**

**Please provide the numerical base (i.e. 2009 costs) associated with the goods and services to which the inflation rate of 2.3% was applied.**

**Interrogatory # 37**

**Ref: Exhibit 4, Tables 4-22 to 4-26 & Exhibit 2, Table 2-1**

- a) Please confirm that the depreciation expense shown in Tables 4-22 through 4-26 in Exhibit 4 was calculated based on use of the half year rule in each of 2008, 2009 and 2010 and a full year of depreciation in 2007 and in prior years for assets added in the current year.**
- b) Please explain why the half year rule was applied to 2008 and 2009.**
- c) Please recalculate the year-end rate base for 2009 and provide a revised Table 2-1 showing the impact of this new 2009 year-end figure on the rate base calculation for 2010 assuming full year depreciation was calculated on assets added in 2008 and 2009, as it was for previous years.**

**Interrogatory # 38**

**Ref: Energy Probe Interrogatory # 17 (b)**

**Please provide the amount related to the IFRS consulting costs that has been allocated to affiliates and provide details of how this allocation was determined.**

**Interrogatory # 39**

**Ref: Energy Probe Interrogatory # 22**

**Please provide a copy of the documentation that North Bay Hydro is relying on that limits the ATTC credit to \$5,000 per year to a maximum of \$15,000 over the first 48 month period.**

**Interrogatory # 40**

**Ref: Energy Probe Interrogatory # 25 (b)**

**The response indicates that North Bay Hydro has received \$1,911,270 in fiscal 2009 of the Infrastructure Ontario loan referenced as a \$3.5 million loan. Will North Bay Hydro be receiving the remainder the loan amount in 2010? What is the expected amount owing on this loan at the end of 2010?**

**Interrogatory # 41**

**Ref: Exhibit 3, Table 3-8**

- a) Please fill in the following table for 2009, using the most recent monthly total system purchased available. The predicted values should equal the values used in arriving at the 595.5 GWh forecast for 2009 shown in Table 3-8.

	Predicted	Actual	Difference	%
Jan				
Feb				
Mar				
Apr				
May				
Jun				
July				
Aug				
Sept				
Oct				
Nov				
Dec				
Total	595.5			

- b) Please fill in the two tables below for January through December 2009, or to the latest month of total system purchases available for 2009.

	Fest 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				25,064	
Feb				25,064	
Mar				25,064	
Apr				25,064	
May				25,064	
Jun				25,064	
July				25,064	
Aug				25,064	
Sept				25,064	
Oct				25,064	
Nov				25,064	
Dec				25,064	
Total					

	Fest 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				75,500	
Feb				75,500	
Mar				75,500	
Apr				75,500	
May				75,500	
Jun				75,500	
July				75,500	
Aug				75,500	
Sept				75,500	
Oct				75,500	
Nov				75,500	
Dec				75,500	
Total					



**Interrogatory # 42**

**Ref: Board Staff Interrogatory # 27**

**Please explain the increase in the working capital of \$386,146 shown in the Summary of Proposed Changes that are based on the split between RPP and non-RPP volumes and use of the October 15, 2009 Price Report. Please reconcile this increase with the decrease in the cost of power component of the working capital shown in the response to Energy Probe Interrogatory #7 (e) that shows a working capital amount of \$35,393,075 for the cost of power, a reduction of \$333,924 from the filed figure of \$35,726,999.**