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BY E-MAIL

June 28, 2010

KirstenWalli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited
Application for Recovery of Approved Contact Voltage Remediation Costs
Board File Number EB-2010-0193**

Please find the attached Board staff interrogatories in the above proceeding. Please forward the following to Toronto Hydro-Electric System Limited and all other parties to this proceeding.

Sincerely,

Original Signed By

Martin Davies
Project Advisor, Applications & Regulatory Audit

Attachment

Board Staff Interrogatories
Application to the Ontario Energy Board for Recovery of Amounts Related
to Contact Voltage
Toronto Hydro-Electric System Limited (“THESL”)
EB-2010-0193

1. Ref: p. 2, 2010 Application

It is stated that:

“On December 17, 2009, THESL filed with the Board a letter concerning the presentation of the Board’s Decision.”

Please provide a copy of this letter.

2. Ref: pp. 2-3, 2010 Application

It is stated that:

“THESL submits that in any case, the authoritative reference for the 2009 approved controllable OM&A amount set by the Board is found in the EB-2009-0069 proceeding, which approved the 2009 rates. There, the figure of \$195.2 million is confirmed as the correct value for controllable OM&A in THESL’s Draft Rate Order for 2009 rates, and is produced by adding OM&A of \$182.4 million, Municipal Property Taxes of \$7.8 million, and the Ontario Capital Tax embedded in the PILs amount of \$5.0 million, which together total \$195.2 million. These costs agree categorically (i.e. follow the same definition as) the costs defined by the Board as “controllable OM&A” in the Decision.”

Please provide a copy of the referenced Draft Rate Order for 2009 rates with the numbers referenced above highlighted.

3. Ref: p. 3, 2010 Application

It is stated that:

“THESL’s audited financial statements were publicly filed in March 2010. The Operating Expenses for THESL including contact voltage costs, are \$204.55 million. After subtracting actual 2009 amounts for donations and special events of \$0.3 million, THESL’s total actual controllable expenses are \$204.25 million.”

- a) Please provide a copy of the referenced audited financial statements.
- b) Please complete the tables below, based on the audited financial statements:

Table 1: 2009 Monthly Controllable Expenses (\$ millions)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2009
Operations													
Maintenance													
Billing and Collections													
Community Relations													
Administrative and General													
Other Distribution Expenses													
Amortization Expense													
Less: Donations and Special Events													
Total													\$204.25

Note: the format of the above table is derived from Exhibit D1, Tab 3, Schedule 1, page 1 of 5 of THESL's EB-2009-0139 application with the addition of the "Donations and Special Events" deduction.

Table 2: 2009 Capital Budget (\$ millions)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2009
Sustaining													
Other Operations													
Total Operations													
General Plant													
Customer Services													
Information Technology													
Total Operational													
Emerging Requirements													
Total													

Note: the format of the above table is derived from Exhibit D1, Tab 7, Schedule 1, page 19 of 20 of THESL's EB-2009-0139 application.

4. Ref: EB-2009-0243, Application for Recovery of Contact Voltage Costs, June 30, 2009, p. 5

Table 1, "Contact Voltage Remediation Expenditures," of THESL's 2009 contact voltage recovery cost application shows total contact voltage expenditures of

\$14.35 million. Please update this table as of the end of 2009 and provide explanations for any changes. If there were no changes in these numbers by year-end 2009, please state this and provide an explanation as to why there were no changes.

5. Ref: p. 3, 2010 Application

In Column 3 of Table 1 on this page, 2009 actual contact voltage costs are shown as \$9.44 million, which is the same amount as the allowed maximum recovery in the EB-2009-0243 Decision.

- a) Please state how these expenditures were incorporated into the audited financial statements. Please provide the relevant account classifications.
- b) Please state why the difference between the level of contact voltage expenditures of \$14.35 million contained in the EB-2009-0243 application (subject to any updates arising out of interrogatory #4) and the \$9.44 million in the audited financial statements was not treated as contact voltage expenditures for the purposes of the present application. Please include an explanation as to how the \$4.91 million expenditure differential (or, if applicable, the updated differential) was treated in the audited financial statements. Please provide the relevant account classifications.

6. Ref: p. 4

THESL states that it is requesting recovery commencing May 1, 2011.

- a) Please state why this date was chosen.
- b) Please state whether or not THESL would see any issues or concerns arising if an earlier recovery date, such as the first month following the Board's Decision in this matter, or November 1, 2010, the date of the next RPP change, was instead chosen.