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BY E-MAIL ONLY

November 21, 2007

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: Enersource Hydro Mississauga Inc.
Board File Number EB-2007-0706

Dear Ms. Walli:

Please see attached the Board Staff's technical conference questions in the above proceeding. Please forward the following to Enersource Hydro Mississauga and all intervenors in this proceeding.

Yours truly,

Original Signed by

Rudra Mukherji
Case Manager

cc: All Participants in EB-2007-0706

Board Staff Technical Conference Questions

Enersource Mississauga Hydro Inc.
2008 Electricity Rate Application
Board File No. EB-2007-0706
November 21, 2007

OPERATING REVENUE

Board Staff Technical Conference Question # 1

Reference: Exhibit B/Schedule 2/Tab 5a, Board Staff Interrogatory No. 23

OTHER REVENUE
(000's)

	2006 EDR
LATE PAYMENT CHARGES	404
CUSTOMER SERVICE CHARGES	1,123
RETAIL TRANSACTION HUB/MKT PARTICIPANT CHG	283
MISCELLANEOUS REVENUE	276
TOTAL OTHER REVENUE	**2,086**
CUSTOMER SERVICE CHARGES	
RENTAL INCOME	280
COLLECTION CHARGES	154
RECONNECTION CHARGES	21
SET UP CHARGES - RESIDENTIAL	483
NSF SERVICE CHARGES	48
TEMPORARY SERVICE INSTALLATION	56
LETTER OF REFERENCE	18
CREDIT CHECK	53
OTHER MISCELLANEOUS CHARGES	10
	1,123

Please provide an explanation as to why the number for “Miscellaneous Revenue” (i.e. $276) is different from the 2006 Board Approved, Sheet 5-5, Cell D22 - $2,056,959.

RATE BASE

Board Staff Technical Conference Question # 2

Reference: Exhibit C/ Schedule 3/ Tab 3

More detail is needed to evaluate the land purchase.

a. How big is the land being purchased
b. Is it presently vacant or does it have buildings on it
c. Is the purchase a related party transaction
d. How was the purchase price arrived at
e. Why would a satellite location be more expensive and disruptive to the organization

Board Staff Technical Conference Question # 3

Reference: More detail is needed to evaluate the rolling stock purchases for 2008

a. What vehicles are being replaced – a 2008 listing like the one on page 30 of the 2007 System Capacity report would be helpful
b. What are the estimated unit costs?
c. How are vehicles purchased?
d. How are old vehicles disposed off?

Board Staff Technical Conference Question # 4

Reference: Integration of GIS and SCADA Systems

a. What are the main benefits of marrying these two systems together?
b. If eliminating manual systems of putting pins in maps to record switch status is the main benefit how does EHM propose to deal with computer failures that would leave operators blind? If the manual system is going to be maintained to hedge against this possibility what savings will actually result?
c. SCADA already keeps track of switch status for any automated switches. What is benefit of computer tracking of switch status for manually operated switch points?

d. If modelling of system condition prior to making a switching operation is the benefit, can't the GIS already do this without having to be connected to the SCADA?

OPERATING COSTS

Board Staff Technical Conference Question # 5

Reference: Exhibit J Schedule A Page 37 of 106, Board Staff Interrogatory No. 24 - Distribution Expenses Incurred Through the Purchase of Services or Products

Please provide specific confirmation that the only distribution expenses it incurs through the purchase of services or products are done through Enersource Corporation, as stated in the response, and that Enersource Hydro Mississauga (EHM) itself does not contract directly with any third parties for any such services (e.g consulting services, building maintenance services etc). If Enersource Hydro Mississauga does incur costs for any such services directly, please provide the information requested in the interrogatory for such services.

Board Staff Technical Conference Question # 6

Reference: Exhibit J Schedule A Page 38 of 106, Board Staff Interrogatory No. 25 - Shared Services

Enersource's forecast of a management fee of $8.243 million for shared services is discussed. (i) Please provide the amount of this fee for 2006 actual and Board approved, 2007 bridge as well as the recovery amounts for the same years to support the net amounts shown as "Management Fees/Recoveries," as shown in Exhibit D Schedule 2 Tab 1. Please provide a clear explanation as to why Enersource accounts for these fees in the manner. Please also explain the change in the amounts of these fees relative to what was filed in the 2006 application, wherein Schedule 6-9 showed Management Fees of $15.8, $17.5 and $17.4 million for 2002, 2003 and 2004 respectively and why they are now so much lower. Also relative to Schedule 6-8, Distribution Expenses Paid to Affiliates.

Please also provide total annual expense by service as shown in this interrogatory response for 2008 in the same format for each of 2006 actual and Board approved and 2007

For (iii), which is the rationale and the cost allocators used for shared costs, for each type of service, please provide a fuller and more detailed response by service. Please state which services use which cost driver and why, as requested in the interrogatory. Exhibit D/Schedule 1/Tab 11/page 2 of 6 also does not provide a sufficiently detailed breakdown or explanation

Board Staff Technical Conference Question # 7

Reference: Exhibit J Schedule A Page 38 of 106, Board Staff Interrogatory No. 25 - Corporate Cost Allocation

Re: Exhibit J Schedule A Page 38 of 106, Interrogatory #25, part (iv) the response is insufficiently detailed, stating that "Enersource's overall methodology is to charge each affiliate an appropriate share of corporate overhead costs. Enersource Corporation allocates actual costs to each affiliate based on the budgeted allocation percentage."

Please state how an "appropriate" share is determined and a more detailed explanation as to how and why actual costs are allocated to each affiliate based on the budgeted allocation percentage.

It would be helpful if Enersource would review its response in this area in the context of the filing guidelines, which describe corporate cost allocation as "an allocation of costs for corporate and miscellaneous shared services from the parent to the utility. This is not to be confused with the allocation of the revenue requirement to rate classes for the purpose of rate design." The filing guidelines require that the applicant provide "a detailed description of the assumptions underlying the allocation of these services" and documentation of its overall methodology

Board Staff Technical Conference Question # 8

Reference: Compliance with EDR 2006 Decision

The Board's Decision and Order relating to Enersource's rate application for rates effective May 1, 2006 (RP-2005-0020/EB-2005-0360) stated, in part, where affiliate transactions were concerned that "The Applicant has presented its information clearly and has been helpful in its responses to interrogatories, but the record is still not at a satisfactory level. In future, further information will be required concerning the costs for services provided by the parent company via the Management Fee, and how these costs relate to other costs shown elsewhere in the Application, for example in Schedules 6-4, 6-5 and 6-6."

Schedules 6-4, 6-5 and 6-6 were respectively "Employee Compensation," "Employee Incentive Plan Expense," and "OMERS Pension Expense and Post-Retirement Benefits."

It would be helpful if Enersource would discuss the information it is providing in this proceeding in the context of this aspect of the Board's Decision and whether or not Enersource believes that it would need to provide any additional information to meet this requirement and, if so, how Enersource intends to provide it and, if not, why Enersource believes the information it has filed in this proceeding meets the requirements stated by the Board.

Board Staff Technical Conference Question # 9

Reference: Affiliate transactions

It would be helpful if Enersource could use the Technical Conference to provide an overall road map through its affiliate transactions to demonstrate that the costs are prudent, summarizing the overall amounts and magnitude relative to the total utility costs of costs incurred through shared services, as well as the cost justification for EHM going the shared services route versus in-house or third party provision of such services.

Board Staff Technical Conference Question # 10

Reference: Board Staff Interrogatory No. 27 - Employee Compensation

This interrogatory asked Enersource to provide a breakdown of the number of employees, salaries and wages, benefits and incentives charged to O&M by employee type for 2006 Board Approved, 2006 historical, 2007 bridge and 2008 test years. However, the response does not include information on employee benefits and incentives charged to O&M. The purpose was to determine whether the overall level of employee costs is appropriate.

a. Please provide a breakdown of employee benefits by employee type from 2006 to 2008.

b. With respect to the Information on Incentive Program table, please provide a comparison of total incentive amounts by employee type from 2006 to 2008.

Board Staff Technical Conference Question # 11

Reference: Board Staff Interrogatory No. 27 - Employee Compensation

Based on the utility’s response to IR #27, please provide the following

a. Please confirm that total salaries and wages for non union employees is forecast to increase from $3,417,000 in 2006 to $4,162,000 in 2008, and that expressed on a “per FTE” basis the average salary increases from approximately $57,000 in 2006 to approximately $66,000 in 2008.

b. In light of (a), please provide a justification for this two-year increase of 16%.

c. Please confirm that total salaries and wages for analyst employees is forecast to increase from $1,540,000 in 2006 to $1,876,000 in 2008, and that expressed on a “per FTE” basis the average salary increases from approximately $59,000 in 2006 to approximately $67,000 in 2008.

d. In light of (c), please provide a justification for this two-year increase of 13%.

e. Please confirm that total salaries and wages for management is forecast to increase from $2,012,000 in 2006 to $2,451,000 in 2008, and that expressed on a “per FTE” basis the average salary increases from approximately $69,000 in 2006 to approximately $79,000 in 2008.

f. In light of (e), please provide a justification for this two-year increase of 14%.

g. Please confirm that total salaries and wages for outside employees is forecast to increase from $5,429,000 in 2006 to $6,849,000 in 2008, and that expressed on a “per FTE” basis the average salary increases from approximately $48,000 in 2006 to approximately $55,000 in 2008.

h. In light of (g), please provide a justification for this two-year increase of 16%.

i. Please confirm that total salaries and wages for inside employees is forecast to increase from $3,773,000 in 2006 to $4,880,000 in 2008, and that expressed on a “per FTE” basis the average salary increases from approximately $59,000 in 2006 to approximately $68,000 in 2008.

j. In light of (i), please provide a justification for this two-year increase of 15%

k. Please provide the rationale and justification for the increase from 64 to 72 inside positions, from 2006 to 2008.

Board Staff Technical Conference Question # 12

Reference: Ref: Exhibit D / Schedule 2 / Tab 6

Page 1 provides a variance analysis of Enersource’s OM&A costs for 2006 and 2007. Please explain the line item “One-time Pension and Benefit repayment” and provide the rationale and justification for the variance of 2.5%.

Board Staff Technical Conference Question # 13

Reference: Ref: Exhibit J Schedule A Page 50, Schedule of 2006-2007 Manpower Controllable Costs, Board Staff Interrogatory No. 31

The table below has been prepared by Board Staff from Enersources IR response, Schedule of Manpower Controllable Expenses. The New Hires column is from the consolidation of Staffing Changes and reason and uses Enersources $65k per new hire. Some rounding occurs but is immaterial to this question

Name	2006 Actual	Salary Increases	Standby	Safety Training	Substation Maintenance	New Hires	Other Variance	2007 Forecast
CONTROL SYSTEM	1307	39				65	-189	1,222
CORPORATE RECORDS	540	16				65	101	722
GROUNDS & BUILDINGS	178	5					40	223
SUBSTATION OPERATIONS	572	79	80		160	65	63	1,019
SYSTEM PLANNING	200	6				65	16	287
TROUBLE TRUCK	64	2					12	78
CABLE LOCATES	530	16					49	595
U/G MAINT, REPAIRS & BURNOFFS	1649	49				65	-3	1,760
O/H MAINTENANCE & REPAIRS	1063	82				65	58	1,268
TREE TRIMMING	511	15					32	558
GARAGE	576	17					-37	556
OVERHEAD CONSTRUCTION	478	14					59	551
IND/COM'L CUST PROJ/INSPECTIONS	774	23				65	-179	683
STORES	395	12				65	-60	412
Operations	8,837	375	80	0	160	520	-39	9,934
CUSTOMER SERVICES ADMIN	1565	47				65	-22	1,655
SETTLEMENTS	586	18					58	662
CUSTOMER ACCOUNTS	2911	134				65	360	3,470
CUSTOMER BILLINGS	522	16					-45	493
METERING	548	56				65	31	700
Customer Service	6,132	271	0	0	0	195	382	6,980
Admin	3260	163		175			301	3,899
IT Support	2454	98				65	74	2,691
Manpower re-class adjustment	0	0					0	0
Other	5,714	261	0	175	0	65	375	6,590
Total OM&A	20,683	907	80	175	160	780	718	23,504

a. Please provide further details on Sub Station Operations - Standby $80 k
b. Please provide further details on Sub Station Operations - Substation Maintenance $160 k
c. Please provide further details on Admin – Safety Training - $175k
d. Enersource states "Pension and benefits increases of $718 are based on the number of employees in each business unit/work unit. The proportionate amount for each unit is based on type and number of employees in each area." This being the case then the column identified as other variance will be impacted by the allocations. Please provide explanations for other variance that are greater than plus or minus $50k after Pension and benefits increases adjustment.

Board Staff Technical Conference Question # 14

Reference: Ref: <u>Exhibit J Schedule A Page 50, Schedule of 2006-2007 Manpower Controllable Costs</u>

The table below has been prepared by Board Staff. Some rounding occurs but is immaterial to this question. Enersource has identified salary increases in the amount of $909k. On a departmental basis 3% appears to be the normal base used. However some departments are showing increases in excess of 3%. For each department that has an increase in excess of 3% please provide further details on reason for difference.

Name	2006 Actual	Salary Increases	% Change	2007 Forecast
CONTROL SYSTEM	1307	39	3.0%	1,222
CORPORATE RECORDS	540	16	3.0%	722
GROUNDS & BUILDINGS	178	5	2.8%	223
SUBSTATION OPERATIONS	572	79	13.8%	1,019
SYSTEM PLANNING	200	6	3.0%	287
TROUBLE TRUCK	64	2	3.1%	78
CABLE LOCATES	530	16	3.0%	595
U/G MAINT, REPAIRS & BURNOFFS	1649	49	3.0%	1,760
O/H MAINTENANCE & REPAIRS	1063	82	7.7%	1,268
TREE TRIMMING	511	15	2.9%	558
GARAGE	576	17	3.0%	556
OVERHEAD CONSTRUCTION	478	14	2.9%	551
IND/COM'L CUST PROJ/INSPECTIONS	774	23	3.0%	683
STORES	395	12	3.0%	412
Operations	8,837	375	4.2%	9,934
CUSTOMER SERVICES ADMIN	1565	47	3.0%	1,655
SETTLEMENTS	586	18	3.1%	662
CUSTOMER ACCOUNTS	2911	134	4.6%	3,470
CUSTOMER BILLINGS	522	16	3.1%	493
METERING	548	56	10.2%	700
Customer Service	6,132	271	4.4%	6,980
Admin	3260	163	5.0%	3,899
IT Support	2454	98	4.0%	2,691
Manpower re-class adjustment	0	0	0.0%	0
Other	5,714	261	4.6%	6,590
Total OM&A	20,683	907	4.4%	23,504

Board Staff Technical Conference Question # 15

Reference: Ref: Exhibit J Schedule A Page 51, Schedule of 2006-2007 Manpower Controllable Costs

The table below has been prepared by Board Staff. Some rounding occurs but is immaterial to this question. Enersource has identified salary increases in the amount of $1,053k. On a departmental basis 3.5% appears to be the normal base used. However some departments are showing increases in excess of 3.5%.

Name	2007 Forecast	Salary Increases	% Change	2008 Budget
CONTROL SYSTEM	1,222	63	5.2%	1,375
CORPORATE RECORDS	722	42	5.8%	839
GROUNDS & BUILDINGS	223	7	3.1%	224
SUBSTATION OPERATIONS	1,019	39	3.8%	1,067
SYSTEM PLANNING	287	22	7.7%	366
TROUBLE TRUCK	78	2	2.6%	77
CABLE LOCATES	595	21	3.5%	613
U/G MAINT, REPAIRS & BURNOFFS	1,760	62	3.5%	1,812
O/H MAINTENANCE & REPAIRS	1,268	42	3.3%	1,289
TREE TRIMMING	558	18	3.2%	563
GARAGE	556	24	4.3%	596
OVERHEAD CONSTRUCTION	551	21	3.8%	579
IND/COM'L CUST PROJ/INSPECTIONS	683	24	3.5%	703
STORES	412	27	6.6%	498
Operations	9,934	414	4.2%	10,601
CUSTOMER SERVICES ADMIN	1,655	87	5.3%	1,814
SETTLEMENTS	662	24	3.6%	687
CUSTOMER ACCOUNTS	3,470	115	3.3%	3,593
CUSTOMER BILLINGS	493	19	3.9%	517
METERING	700	38	5.4%	795
Customer Service	6,980	283	4.1%	7,406
Admin	3,899	151	3.9%	4,097
IT Support	2,691	204	7.6%	3,081
Manpower re-class adjustment	0	0	0.0%	325
Other	6,590	355	5.4%	7,503
Total OM&A	23,504	1,052	4.5%	25,510

a. For each department that has an increase in excess of 3.5% please provide further details on reason for difference.
b. Please provide explanation for Manpower re-class adjustment of $325 k from 2008 Other Controllable Expenses.

Board Staff Technical Conference Question # 16

Reference: Ref: Exhibit J Schedule A Page 54 to 55, Schedule of 2006-2008 Other Controllable Expenses

The table below has been prepared by Board Staff from Enersources IR response, Schedule of Other Controllable Expenses. Some rounding occurs but is immaterial to this question

Name	2006 Actual	Variance	2007 Forecast	Variance	2008 Budget
CONTROL SYSTEM	380	47	427	12	439
CORPORATE RECORDS	45	25	70	-1	69
GROUNDS & BUILDINGS	1329	184	1,513	159	1,672
SUBSTATION OPERATIONS	647	74	721	22	743
SYSTEM PLANNING	0	2	2	0	2
TROUBLE TRUCK	0	0	0	0	0
CABLE LOCATES	4	0	4	0	4
U/G MAINT, REPAIRS & BURNOFFS	1	0	1	0	1
O/H MAINTENANCE & REPAIRS	26	149	175	0	175
TREE TRIMMING	1	-1	0	0	0
GARAGE	251	30	281	9	290
OVERHEAD CONSTRUCTION	104	3	107	5	112
IND/COM'L CUST PROJ/INSPECTIONS	31	-3	28	4	32
STORES	176	55	231	41	272
Operations	2,995	565	3,560	251	3,811
CUSTOMER SERVICES ADMIN	34	5	39	0	39
SETTLEMENTS	34	203	237	0	237
CUSTOMER ACCOUNTS	864	261	1,125	36	1,161
CUSTOMER BILLINGS	0	0	0	0	0
METERING	75	20	95	0	95
Customer Service	1,007	489	1,496	36	1,532
Admin	226	14	240	122	362
IT Support	1433	555	1988	204	2192
Manpower re-class adjustment					-325
Other	1659	569	2228	326	2229
Total OM&A	5,661	1,623	7,284	613	7,572

a. From the Schedule of Controllable Expenses table immediately above Enersource shows Stores cost increasing by $55k between 2006 and 2007and $41 k between 2007 and 2008. What is the reason for this increase?
b. From the Schedule of Controllable Expenses table immediately above Enersource shows Settlement cost increasing by $203k between 2006 and 2007. What is the reason for this increase?
c. From the Schedule of Controllable Expenses table immediately above Enersource shows Admin cost increasing by $204k between 2007 and 2008. What is the reason for this increase?

Board Staff Technical Conference Question # 17

Reference: Ref: Exhibit J Schedule A Page 54 to 55, Schedule of 2006-2008 Other Controllable Expenses

The table below has been prepared by Board Staff from Enersources IR response, description of drivers. Some rounding occurs but is immaterial to this question

Other Controllable Expenses - Drivers	2007	2008
Opening Expenditures	5,660	7,284
Garage - Vehicle Maintenance Costs	137	
Admin - Communication costs	14	
IT - Communication costs	171	
Substation - Equipment Repair	74	
O/H Maintenance - Equipment Repair	74	
Grounds & Buildings - Property Taxes and Maintenanc	87	33
Grounds & Buildings - Heat And Hydro	69	83
Grounds & Buildings - Waste		41
Customer Accounts - Bill Delivery and Postage	261	
IT - Software/Hardware Maintenance & Licenses	252	170
Electrical Repairs		- 38
Unexplained Drivers	485	- 1
Closing Expenditures	7,284	7,572

a. From the drivers table immediately above Enersource shows Garage Vehicle Maintenance cost increasing by $137k between 2006 and 2007. However the Schedule of Controllable Expenses show Garage going up by $30 k. Please explain the reasons for the difference?
b. From the drivers table immediately above Enersource shows IT Communication cost increasing by $171k between 2006 and 2007. What are the reasons for this increase?
c. From the drivers table immediately above Enersource shows Grounds & Buildings Property Taxes and Maintenance cost increasing by $87k between 2006 and 2007and $33 k between 2007 and 2008. What are the reasons for this increase?
d. From the drivers table immediately above Enersource shows Grounds & Buildings Heat and Hydro cost increasing by $69k between 2006 and 2007and $83 k between 2007 and 2008. What are the reasons for this increase?
e. From the drivers table immediately above Enersource shows Customer Accounts cost increasing by $261k between 2006 and 2007. What are the reasons for this increase?

Board Staff Technical Conference Question # 18

Reference: Ref: Board Staff Interrogatory No. 34, Management Fees and Recoveries

The table below has been prepared by Board Staff from Enersources IR response, Management Fees and Recoveries. Some rounding occurs but is immaterial to this question

Description	2006 EDR	Variance	2006	Variance	2007	Variance	2008
Recoveries	-7,042	-1,098	-8,140	-34	-8,174	689	-7,485
		15.6%		0.4%		-8.4%	
Management Fees	7,494	308	7,802	582	8,384	-141	8,243
		4.1%		7.5%		-1.7%	
Total	452	-790	-338	548	210	548	758
		-174.8%		-162.1%		261.0%	

a. Please provide specifics of the “economic increases” that generated the $582k or 7.5% increase in management fees from 2006 to 2007.

SMART METERS

Board Staff Technical Conference Question # 19

Reference: Board Staff Interrogatory No. 41 – Smart Meters

a. What will be the value of stranded meter costs at December 31, 2007 and 2008?
b. Are the stranded meter costs contained in the fixed asset meter accounts, and therefore, in rate base?
c. Over how many years does Enersource expect to recover the stranded meter costs through depreciation and return on rate base?
d. How will Enersource treat the proceeds received from salvage or recycling value of the stranded meters in its financial statements and in its tax returns for 2007? What are the proceeds and approximately how much per meter is received?
e. Please complete the table below and provide detail explanations where required.

Smart Meter Stranded Costs	**Balance Dec. 31, 2007**	**Change in 2008**	**Balance Dec. 31, 2008**
Number of meters replaced by type Residential GS<50kW Other			
Value of stranded meters by type Residential GS<50kW Other			
NBV of each type of meter, or class of meter Residential GS<50kW Other			
Revenue requirement impact of stranded meters in Test Year Return (assumptions made and calculations: ROE% debt rate %, PILs income tax rate %) Amortization PILs (dollars and income tax rate used) Any other costs (please explain) Total			

CONSERVATION AND DEMAND MANAGEMENT

Board Staff Technical Conference Question # 20

Reference: Board Staff Interrogatory No. 49 – CDM

Enersourceh as provided spreadsheets for the LRAM and SSM calculations. Please revise the spreadsheets to include a column indicating the free rider rate that was used for each CDM program.

Board Staff Technical Conference Question # 21

Reference: Board Staff Interrogatory No. 50 & VECC Interrogatory No. 19 – CDM

In the response to Board staff question #50, Enersource stated that "some adopted measures (e.g. 13 W CFLs) were not included in the TRC Table, but we followed the TRC Guide prescribed methodology in confirming savings". However, in the response to VECC question #19, Enersource stated that "all Enersources programs related to mass market and are the subject of the Board's Total Resource Cost Guide. Enersource did not offer any custom programs and as a result has not relied on data from a source other than the Board's Total Resource Cost Guide".

a. These statements appear contradictory. Please confirm which specific programs did not rely on data from the TRC Guide. For each of these programs, please provide the inputs and assumptions that were used, and documentation supporting these inputs and assumptions.

b. Enersource has stated that it did not offer any custom programs. However, in the Toronto Hydro Decision EB-2007-0096, the Board determined that Toronto Hydro's Load Displacement Program should have a custom project free rider rate of 30%. Please confirm what free rider rate Enersource is using for the Load Displacement Program. If Enersource did not use a free rider rate of 30%, please provide Enersource's rationale for using a different free rider rate.

LOSS FACTORS

Board Staff Technical Conference Question # 22

Reference: Board Staff Interrogatory No. 48

Response to Board Staff Interrogatory No. 48 (a) (i) indicates that Enersource's DLF for 2002 to 2006 is provided on the line titled "Loss Factor" in the 1st reference.

a. Please answer the balance of the question by providing values for the corresponding TLF for 2002 to 2006 and the Supply Facilities Loss Factor (SFLF) used to convert DLF to TLF.
b. Please confirm that the title "Total Loss factor" of the table in the 1st reference is incorrect and should be replaced by "Distribution Loss Factor".

Board Staff Technical Conference Question # 23

Reference: Board Staff Interrogatory No. 48

Response to Board Staff Interrogatory No. 48 (a) (ii)"Enersource relied on the 2006 EDR methodology" does not answer the question which seeks an explanation for the calculation method used in the table in the 1st reference to obtain Loss Factor (confirmed as DLF in the response to the previous question).

a. If the intent of the response is to imply that the calculation method follows the framework of the 2006 EDR Handbook Schedule 10-5, the intent is unfulfilled as the table in the 1st reference is not a proper representation of Schedule 10-5.
b. Please provide details of the calculation used to obtain the DLF value, for example by showing data for each year 2002 – 2006 in the framework of the 2006 EDR Handbook Schedule 10-5. This comprises rows A thru H, where row G (row C/row F) represents the DLF calculation.

Board Staff Technical Conference Question # 24

Reference: Board Staff Interrogatory No. 48

Response to Board Staff Interrogatory No. 48 (a) (iii) "Please refer to Exhibit D/Schedule 1/Tab 5"does not answer the question which seeks an explanation for the 2006 increase in the DLF. The table in the 1st reference shows the DLF increasing from 3.31% in 2005 to 4.24% in 2006.

a. Please provide an explanation for this increase.
b. The reference (Exhibit D/Schedule 1/Tab 5) provided in the response refers to Bad Debts and is unrelated to the subject of loss factors. Please confirm if this refence is incorrect.
c. The 3rd reference contains a statement "A summary of Enersource's distribution system loss factors for 2002-2006 is provided in ExD/Sched2/Tab9". However distribution loss factors are provided in ExD/Sched1/Tab9.2 (1st reference). Please explain this discrepancy.

Board Staff Technical Conference Question # 25

Reference: Board Staff Interrogatory No. 48

Response to Board Staff Interrogatory No. 48 (b) "Enersource has not proposed any change to the TLF – Secondary Metered Customer >5,000 kW or to the TLF – Primary Metered Customer >5,000 kW"does not answer the question which seeks to know which of the four TLFs for 2008 (Primary and Secondary customers < and > 5,000 kW) provided in both the 2nd and 3rd references corresponds to the DLF provided in the 1st reference.

a. Please confirm if the "Average of 3 year averages" DLF of 3.7% shown in the 1st reference is proposed for 2008.
b. If the above is true, please confirm if this DLF (3.7%) is the basis for the TLF of 3.6% (1.0360) for Secondary Metered Customer < 5,000 kW shown in both the 2nd and 3rd references.
c. If the above is true, please explain why the TLF (3.6%) is lower than the DLF (3.7%) as the TLF comprises DLF plus losses incurred in system supply facilities (captured by SFLF).

Board Staff Technical Conference Question # 26

Reference: Board Staff Interrogatory No. 48

Please explain the correlation between the calculations shown in the table “Enersource’s Loss Factors per Loss Model” in the 4th reference and the DLF calculations shown in the 1st reference.

COST ALLOCATION & RATE DESIGN

Board Staff Technical Conference Question # 27

Reference: Board Staff Interrogatory No. 61

Further to Board Staff Interrogatory No. 61, please provide the following:

f. Does Run 1 or Run 2 of the Informational Filing (EB-2006-0247) more closely represent the customer classification in the Application? Please file it as an official part of the record of this Application.

g. Using data from Sheet O1 ‘Revenue to Cost Summary Worksheet’, please calculate as a percentage for each class the ‘Revenue Requirement (includes NI)’ compared to the total revenue requirement.

h. Reference: Exhibit H / Schedule 2 / Tab 1: Please substitute the percentage calculated in part b into the eighth column (headed “Percentage”), and complete the rest of the table with these percentages.

Board Staff Technical Conference Question # 28

Reference: Reference: Exhibit H / Schedule 3 / Tab 1, and Exhibit H / Schedule 4 / Tab 1, Board Staff Interrogatory No. 63 (c)

Further to Board Staff Interrogatory No. 63 (c), please provide the following:

The calculated Fixed Service Charges in the table titled “Proposed Base Distribution Rates” do not match the service charges in the proposed tariff sheet in Schedule 4. For example the Residential service charge in Schedule 3 is $12.50 and in Schedule 4 it is $13.07. Is the Smart Meter rate adder at Exhibit G / Schedule 2 / Tab 7 the only source of the discrepancy between these two sources, or are there also factors related to “responsibility for the revenue requirement” as suggested in the initial response to interrogatory # 63?

DEFERRAL AND VARIANCE ACCOUNTS

Board Staff Technical Conference Question # 29

Reference: Board Staff Interrogatory No. 42

Why did Enersource state that the deferred OEB Costs were from January 1, 2005 to April 30, 2006 when difference between OEB costs assessments invoiced to the distributor for the Board’s 2004/05 and 2005/06 (up to April 30, 2006) and OEB Costs assessments previously included in rates was allowed? There is an opening balance in Question 44 on January 1, 2005 for 1508 – OEB Costs sub-account?

Board Staff Technical Conference Question # 30

Reference: Board Staff Interrogatory No. 44

a. Does Run 1 or Run 2 of the Informational Filing (EB-2006-0247) more closely represent the customer classification in the Application? Please file it as an official part of the record of this Application.

b. Enersource did not provide a reconciliation between the continuity schedule and the December 31, 2006 RRR submission as asked in the interrogatory.

c. Enersource did not provide a reconciliation between the continuity schedule and the amounts claimed (did not map which accounts went with each claim in ExG/Sc2/Tab3/pg1) as asked in the interrogatory.

d. There are no corresponding offsets to entries into account 1590 for 2005 or 2006 in the continuity schedule when regulatory asset accounts were cleared as part of a rates proceeding.

e. Balance in account 1518 as of December 31, 2006 does not match one provided in Question #44 either in December 31, 2006 ending balance, or “Total Claim” balance.

f. Did not show transaction history for account 1555, 1556, 1565, and 1566 in continuity schedule.

g. No balance or transactions in 1550 in continuity schedule despite 2006 EDR decision providing LV charges.

h. Please complete the table with accounts 1555, 1556, 1565, and 1566.

i. Did not show closing of 1570 and 1571 in the spreadsheet – should have balances Jan 1 2005 and subsequent closure due to rate case.

j. Why is Enersource forecasting carrying charges only on account 1508, 1525, and 1590? Please state the balances for all regulatory deferral and variance accounts if carrying charges were forecasted to April 30th, 2008 on December 31, 2006 balances.

Board Staff Technical Conference Question # 31

Reference: Board Staff Interrogatory No. 45

a. Did not list in IR#45(a) all accounts and corresponding balances that are being requested to be disposed of (only showed RSVA and RCVA, and excluded 1508, 1525, 1550 and 1592) as requested in the interrogatory. Please provide the information as requested in Board Staff IR No. 45.

b. Did not provide rate rider information in 45b for 1550 – provided only for 2008 test year LV charges. Please provide the information as requested in Board Staff IR No. 45.

Board Staff Technical Conference Question # 32

Reference: Board Staff Interrogatory No. 47

Please complete the following:

a. Missing interest rates used for account 1565 and 1566 on the table.
b. Prescribed rates were effective May 1, 2006 not Q2, 2006. Were the rates applied in May 1, 2006 or April 1, 2006
c. 1570 and 1571 were not included in the list.

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