

Clinton Power Corporation – EB-2009-0262

Board staff Interrogatories

Exhibit 1 – Administrative Documents

1. Ref: Letters of Comment

Following publication of the Notice of Application, did Clinton Power receive any letters of comment? If so, please confirm whether a reply was sent from the applicant to the author of the letter. If confirmed, please file that reply with the Board. If not confirmed, please explain why a response was not sent and confirm if Clinton Power intends to respond.

- ***No written correspondence was received by CPC. We did have two clients called one being the LDC's largest. On reviewing the client's bill he was happy as his bill will be reduced due to the Cost Allocation. The other client was a small business owner whose costs will increase. He was satisfied when it was explained to him that the increased revenue would be used in upgrading the Clinton infrastructure***

2. Ref: E1/T1/S12 – Host and Embedded Distributors

- a) Please confirm whether Clinton Power is embedded (i.e. is provided power by another distributor) at low voltage (below 50 kV).
 - ***Clinton Power is embedded in Hydro One below 50kV.***
- b) Please confirm if Hydro One Networks Inc. is Clinton Power's host distributor. If not, please identify the host distributor providing low voltage services to Clinton Power.
 - ***Yes Hydro One is Clinton Power's host distributor.***

3. Ref: E1/T1/S13 and E1/T1/S14– Organizational Chart

- a) Please confirm whether West Perth is affiliated to Clinton Power by reason that each is jointly owned by Erie-Thames
 - ***West Perth is affiliated to Clinton Power and Erie Thames since all are owned by ERTH Corporation.***
- b) Please update these exhibits showing any affiliated or subsidiary firms as defined under the *Ontario Business Corporations Act*.
 - ***Clinton Power has no subsidiaries.***
 - ***A copy of ERTH Corporations Corporate Entities chart is included in this response.***

4. Ref: E1/T2/S1/pg. 1

Please explain Clinton Power's statement: "Clinton is also presenting the historical actual information for fiscal 2006, 2007, 2008, and 2009 information for the **current approved test year (2006)**." [Emphasis added]

- ***The current approved test year is from the 2006 EDR process which utilized 2002 to 2004 trial balance data. The statement was meant to explain that the current approved test year was during the 2006 EDR process.***

5. Ref: E1/T2/S1/pg. 2

In this exhibit, Clinton Power states:

The proposed changes to Residential rates are summarized below.

	2009 Board Approved	2010 Proposed	% change
Service Charge	\$10.23	\$14.61	42.79%
Distribution Volumetric Rate	\$0.0114	\$0.0192	71.06%

In order to adjust the fixed cost recovery through the monthly fixed charge, Clinton is proposing to increase the monthly customer charge by \$3.22 in the 2010 test year.

The table shows an increase of \$4.38 (\$14.61 - \$10.23) between the current Board-approved fixed monthly charge of \$10.23 and the proposed fixed monthly charge of \$14.61. Please reconcile this with the subsequent statement that Clinton Power is proposing to increase the monthly customer charge by \$3.22.

- ***The \$3.22 was a transcription error and yes in fact the increase is \$4.38 as demonstrated above.***

6. Ref: E1/T3/S2 – Audited Financial Statements

In its application, Clinton Power includes copies of its 2007 and 2008 Audited Financial Statements. Please provide a copy of Clinton Power's 2009 Audited Financial Statements.

- ***The 2009 Audited Financial Statements are in the process of being completed and signed off by Clinton's external auditors and will be provided as soon as they are complete.***

7. Ref: E1/T3/S2 – Revenue Requirement Work Form

Please provide a copy of the Revenue Requirement Work Form in working Microsoft Excel format.

- ***The Work Form is provided as CPC 2009_Rev_Reqt_Work_Form.xls.***

Service Quality and Reliability

8. Ref: Service Quality and Reliability Indicators

Please provide annual service quality and reliability performance for each of the years 2006 to 2009 as per the Board's Filing Requirements for Transmission and Distribution Applications (section 2.3.7).

2006

Month	Total Customer Hours of Interruptions (i.e., 15 mins interruption = .25X200 Customer = 50 hours of interruption)	Total Customer Interruptions (i.e., 100 customers interrupted 2 times = 200 customers interrupted)	Total # of Customers (i.e., Not just affected customer, total customers served for the month)	SAIDI (1)/(3)	SAIFI (2)/(3)	CAIDI (4)/(5)
January	42	38	1,646	0.03	0.02	1.11
February	5,478	1,665	1,646	3.33	1.01	3.29
March	18	17	1,646	0.01	0.01	1.06
April	48	16	1,646	0.03	0.01	3
May	302	303	1,646	0.18	0.18	1
June	7,439	1,708	1,646	4.52	1.04	4.36
July	3,151	646	1,646	1.91	0.39	4.88
August	174	65	1,646	0.11	0.04	2.68
September	34	12	1,648	0.02	0.01	2.83
October	2,067	1,184	1,648	1.25	0.72	1.75
November	40	27	1,648	0.02	0.02	1.48
December	52	21	1,648	0.03	0.01	2.48

2007

Month	Total Customer Hours of Interruptions (i.e., 15 mins interruption = .25X200 Customer = 50 hours of interruption)	Total Customer Interruptions (i.e., 100 customers interrupted 2 times = 200 customers interrupted)	Total # of Customers (i.e., Not just affected customer, total customers served for the month)	SAIDI (1)/(3)	SAIFI (2)/(3)	CAIDI (4)/(5)
January	0	0	0	0	0	0
February	0	0	0	0	0	0
March	4	1,646	1,646	0	1	0
April	0	0	0	0	0	0
May	2	4	4	0.5	1	0.5
June	2	10	10	0.2	1	0.2
July	3	115	115	0.03	1	0.03
August	4	14	14	0.29	1	0.29
September	8	9	9	0.89	1	0.89
October	10	625	625	0.02	1	0.02
November	5	49	49	0.1	1	0.1
December	0	0	0	0	0	0

2008

Month	Total Customer Hours of Interruptions (i.e., 15 mins interruption = .25X200 Customer = 50 hours of interruption)	Total Customer Interruptions (i.e., 100 customers interrupted 2 times = 200 customers interrupted)	Total # of Customers (i.e., Not just affected customer, total customers served for the month)	SAIDI (1)/(3)	SAIFI (2)/(3)	CAIDI (4)/(5)
January	14	12	1,654	0.01	0.01	1.17
February	0	1	1,654	0	0	0
March	0	0	1,654	0	0	0
April	63	13	1,655	0.04	0.01	4.85
May	178	33	1,655	0.11	0.02	5.39
June	530	707	1,655	0.32	0.43	0.75
July	949	633	1,656	0.57	0.38	1.5
August	2	1	1,655	0	0	2
September	0	0	1,657	0	0	0
October	0	1	1,657	0	0	0
November	56	3	1,657	0.03	0	18.67
December	200	1,718	1,657	0.12	1.04	0.12

2009

Month	Total Customer Hours of Interruptions (i.e., 15 mins interruption = .25X200 Customer = 50 hours of interruption)	Total Customer Interruptions (i.e., 100 customers interrupted 2 times = 200 customers interrupted)	Total # of Customers (i.e., Not just affected customer, total customers served for the month)	SAIDI (1)/(3)	SAIFI (2)/(3)	CAIDI (4)/(5)
January	2	14	1,657	0	0.01	0.14
February	0	0	1,657	0	0	0
March	0	0	1,658	0	0	0
April	82	658	1,658	0.05	0.4	0.12
May	54	358	1,658	0.03	0.22	0.15
June	41	194	1,658	0.02	0.12	0.21
July	18	48	1,660	0.01	0.03	0.38
August	28	314	1,660	0.02	0.19	0.09
September	6	59	1,660	0	0.04	0.1
October	332	1,660	1,660	0.2	1	0.2
November	0	0	1,660	0	0	0
December	1	2	1,672	0	0	0.5

Exhibit 2 – Rate Base and Capital Expenditures

9. Ref: E2/T1/S2 – Rate Base Summary Table

Please update the referenced table to reflect 2009 actuals.

- ***Rate Base has been updated and provided electronically as CPC Interrogatory Responses Excel Tables.xls.***

10. Ref: E2/T2/S3 – Capital Assets Continuity Schedule

- In E2/T2/S3, for 2006, please explain the (\$4,044) entry for additions to Account 1835 – Overhead Conductors and Devices.
 - ***The starting point for 2006 came from the 2006 EDR information which was based on 2004 information. In order to bring the trial balance information back in line for 2006 actual data the adjustment of \$4,044 reduction was required.***
- Please explain the entry of \$36,086 for additions to Account 1995 – Contributions and Grants, for 2006.

- ***The starting point for 2006 came from the 2006 EDR information which was based on 2004 information. In order to bring the trial balance information back in line for 2006 actual data the adjustment of \$36,086 reductions was required.***
- c) Please explain the entries for Account 1925 – Computer Software, where \$3,035 is added in 2007, no depreciation expense is recorded, but an addition of (\$3,035) is recorded in 2008.
 - ***These amounts were pulled directly from the trial balances and were input into the continuity statements.***
 - ***Current management had no control over these past issues and has only reported the information as is.***
- d) On page 9 of this exhibit, under Project ID # 1 – Beech Street Expansion, Clinton Power states that “[t]he new Fire Hall will be making a financial capital contribution of \$45,000 towards the project.” However, no additions are shown under Account 1995 – Contributions and Grants for the 2010 test year. Please explain and reconcile the evidence and continuity schedule shown under Account 1995 – Contributions and Grants for the 2010 test year.
 - ***The project will attract \$45,000 in contributions, however the total project cost was provided on a net basis as opposed to detailing the two amounts separately. The total project cost will be approximately \$203,000 with \$45,000 in capital contributions.***

11. Ref: E2/T1/S2, E2/T4/S1 – Rate Base and Bucket Truck

Clinton Power states:

Clinton Power’s forecasted test year net fixed assets is actually \$1,530,546 however given to one time addition of a Bucket Truck with a value of \$285,000 Clinton Power has adjusted this amount as the capital spend in the 2010 test year is not a sustainable amount and artificially inflates the rate base requested by \$275,000 over the four years that the rates will be in place. Details of this change to the rate base can be found in Clinton Power’s rate base calculation table.

In E2/T3/S1, under project ID #7, Clinton Power states that the bucket truck will be ordered in 2010 for delivery in 2011.

- a) Please confirm that the purchase price for the bucket truck is \$240,000, as documented in E2/T3/S1, and not \$285,000 as documented above.
 - ***The price should be \$240k but also included in the \$285,000 is the pickup truck at a value of \$45k hence the 285K.***
- b) Please confirm that the bucket truck is being ordered in the 2010 year, but is not expected to be in service until 2011, as documented in E2/T3/S1.
 - ***It is hoped that the vehicle will be in service in 2010.***

- c) If that is the case, please explain why Clinton Power includes the bucket truck in its rate base and capital asset continuity schedules, and does not treat it as CWIP.
- ***Not applicable.***
- d) If the bucket truck was being purchased and put into service in 2010, at a price of \$240,000, then the addition to average net fixed assets in 2010 is \$120,000 by application of the standard half-year rule. Please explain, and provide detailed calculations, supporting Clinton Power's statement that inclusion of the bucket truck results in an inflation of the rate base by \$275,000 over four years.
- ***By embedding the purchase of the bucket truck into the capital spend in the test year of 2010 when there would not be such an expense in most other year creates a lumpy capital spending plan.***
 - ***In order to smooth this pattern out West Perth Power has reduced its rate base by the aforementioned \$275,000 which has essentially taken the capital spend of the bucket truck out of rate base.***
- e) Given the proximity of Clinton Power to West Perth's service territory of Mitchell and Dublin, and common ownership by EARTH Corporation, please provide further explanation on the need for each of West Perth and Clinton Power to incur major capital investments in bucket trucks in the same year. Would there not be opportunities for efficiencies through sharing arrangements between the same utilities and/or with Erie-Thames Powerlines? Please explain your response in detail.
- ***We are purchasing one bucket truck in CPC and one RBD in West Perth. Clinton also require a new RBD but it was decided to only replace the bucket truck and the WPPI 's RBD could be used as required. CPC's RBD is not capable of digging holes for larger poles and scheduling will have to be arranged to move the truck from one location to the other. This journey will take from 45 minutes to an hour each way.***

12. Ref: E2/T2/S3 and E2/T3/S1 – Project ID # 8 – 4X4 Pickup Truck

Clinton Power states that it is planning on purchasing a new $\frac{3}{4}$ ton 4X4 pickup truck to replace an existing 10 year old vehicle, with the purchase price of \$45,000.

- a) Please confirm that this truck will be purchased and put in service in the 2010 test year.
- ***Confirmed***
- b) How is the 2001 $\frac{1}{2}$ ton pickup being disposed of with the acquisition of the new pickup truck? Please indicate how Clinton Power is treating, or

proposing to treat, any net salvage proceeds if the older vehicle is being sold.

- ***The purchase of the new truck will be net of the trade in value of the old truck thus reducing the capital expenditure required to purchase the new truck.***

Working Capital Allowance

13. Ref: E2/T4/S1 – Working Capital Allowance

Board staff has prepared the following table based on E2/T4/S1

	2006 Actual	2007 Actual	Change		2008 Actual	Change		2009 Bridge	Change		2010 Test	Change	
			Year/Year	Ann. % Change		Year/Year	Ann. % Change		Year/Year	Ann. % Change		Year/Year	Ann. % Change
Operations	\$ 41,275	\$ 71,580	\$ 30,304	73.42%	\$ 91,870	\$ 20,291	28.35%	\$ 87,466	-\$ 4,405	-4.79%	\$ 84,842	-\$ 2,624	-3.00%
Maintenance	\$ 118,507	\$ 67,237	-\$ 51,270	-43.26%	\$ 56,474	-\$ 10,763	-16.01%	\$ 153,176	\$ 96,702	171.23%	\$ 148,581	-\$ 4,595	-3.00%
Billing and Collections	\$ 118,776	\$ 110,809	-\$ 7,967	-6.71%	\$ 160,972	\$ 50,163	45.27%	-\$	-\$ 160,972	-100.00%	\$	\$ -	#DIV/0!
Community Relations	\$ 3,646	\$ 4,133	\$ 487	13.35%	\$ 738	-\$ 3,396	-82.15%	-\$	-\$ 738	-100.00%	\$	\$ -	#DIV/0!
Aministration and General Expenses	\$ 196,047	\$ 292,722	\$ 96,675	49.31%	\$ 158,123	-\$ 134,599	-45.98%	-\$	-\$ 158,123	-100.00%	\$	\$ -	#DIV/0!
Cost of Power	\$ 2,227,754	\$ 2,251,527	\$ 23,773	1.07%	\$ 2,184,360	-\$ 67,168	-2.98%	\$ 2,113,691	-\$ 70,669	-3.24%	\$ 2,140,577	\$ 26,886	1.27%
Total	\$ 2,706,006	\$ 2,798,008	\$ 92,002	3.40%	\$ 2,652,537	-\$ 145,471	-5.20%	\$ 2,354,333	-\$ 298,205	-11.24%	\$ 2,373,999	\$ 19,667	0.84%
Working Capital	\$ 405,901	\$ 419,701	\$ 13,800	3.40%	\$ 397,881	-\$ 21,821	-5.20%	\$ 353,150	-\$ 44,731	-11.24%	\$ 356,100	\$ 2,950	0.84%

a) Please confirm or correct the numbers shown.

- ***The numbers shown are incorrect, see below and also provided electronically as CPC Interrogatory Responses Excel Tables.xls.***

	2006 Actual	2007 Actual	Change		2008 Actual	Change		2009 Bridge	Change		2010 Test	Change	
			Year/Year	Ann. % Change		Year/Year	Ann. % Change		Year/Year	Ann. % Change		Year/Year	Ann. % Change
Operations	\$ 41,275	\$ 71,580	\$ 30,305	73.42%	\$ 91,870	\$ 20,290	28.35%	\$ 87,466	\$ (4,404)	-4.79%	\$ 84,842	\$ (2,624)	-3.00%
Maintenance	\$ 118,507	\$ 67,237	\$ (51,270)	-43.26%	\$ 56,474	\$ (10,763)	-16.01%	\$ 153,176	\$ 96,702	171.23%	\$ 148,581	\$ (4,595)	-3.00%
Billing and Collections	\$ 118,776	\$ 110,809	\$ (7,967)	-6.71%	\$ 160,972	\$ 50,163	45.27%	\$ 178,653	\$ 17,681	10.98%	\$ 215,651	\$ 36,999	20.71%
Community Relations	\$ 3,646	\$ 4,133	\$ 487	13.36%	\$ 738	\$ (3,395)	-82.14%	\$ 13,398	\$ 12,660	1715.39%	\$ 7,500	\$ (5,898)	-44.02%
Admin & General	\$ 196,047	\$ 292,722	\$ 96,675	49.31%	\$ 158,123	\$ (134,599)	-45.98%	\$ 200,376	\$ 42,253	26.72%	\$ 315,643	\$ 115,267	57.53%
Cost of Power	\$ 2,227,754	\$ 2,251,527	\$ 23,773	1.07%	\$ 2,184,360	\$ (67,167)	-2.98%	\$ 2,113,691	\$ (70,669)	-3.24%	\$ 2,140,577	\$ 26,886	1.27%
Total	\$ 2,706,005	\$ 2,798,008	\$ 92,003	3.40%	\$ 2,652,537	\$ (145,471)	-5.20%	\$ 2,746,759	\$ 94,222	3.55%	\$ 2,912,793	\$ 166,034	6.04%
Working Capital	\$ 405,901	\$ 419,701	\$ 13,800	3.40%	\$ 397,881	\$ (21,821)	-5.20%	\$ 412,014	\$ 14,133	3.55%	\$ 436,919	\$ 24,905	6.04%

b) Please explain why Clinton Power has not shown expenses for Billing and Collections, Community Relations, or Amortization and General Expenses for the derivation of the Working Capital Allowances for the 2009 Bridge and 2010 Test Years.

- ***The page including Billing, Admin and General and Community relations was inadvertently omitted and has been included below.***

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Billing and Collections

5305-Supervision	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5310-Meter Reading Expense	\$26,049.40	15%	\$3,907.41	\$71,049.40	15%	\$10,657.41
5315-Customer Billing	\$54,832.34	15%	\$8,224.85	\$58,122.28	15%	\$8,718.34
5320-Collecting	\$48,094.11	15%	\$7,214.12	\$50,979.76	15%	\$7,646.96
5325-Collecting- Cash Over and Short	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5330-Collection Charges	-\$9,750.73	15%	-\$1,462.61	-\$9,500.00	15%	-\$1,425.00
5335-Bad Debt Expense	\$59,436.69	15%	\$8,915.50	\$45,000.00	15%	\$6,750.00
5340-Miscellaneous Customer Accounts Expenses	-\$9.02	15%	-\$1.35	\$0.00	15%	\$0.00
Sub-Total	\$178,652.79		\$26,797.92	\$215,651.44		\$32,347.72

Community Relations

5405-Supervision	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5410-Community Relations - Sundry	\$11,383.99	15%	\$1,707.60	\$5,000.00	15%	\$750.00
5415-Energy Conservation	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5420-Community Safety Program	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5425-Miscellaneous Customer Service and Informational Expenses	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5505-Supervision	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5510-Demonstrating and Selling Expense	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5515-Advertising Expense	\$2,013.61	15%	\$302.04	\$2,500.00	15%	\$375.00
5520-Miscellaneous Sales Expense	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
Sub-Total	\$13,397.60		\$2,009.64	\$7,500.00		\$1,125.00

Administrative and General Expenses

5605-Executive Salaries and Expenses	\$9,900.00	15%	\$1,485.00	\$85,900.00	15%	\$12,885.00
5610-Management Salaries and Expenses	\$20,362.59	15%	\$3,054.39	\$41,362.59	15%	\$6,204.39
5615-General Administrative Salaries and Expenses	\$331.09	15%	\$49.66	\$27,331.09	15%	\$4,099.66
5620-Office Supplies and Expenses	\$19,371.55	15%	\$2,905.73	\$20,000.00	15%	\$3,000.00
5625-Administrative Expense Transferred Credit	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5630-Outside Services Employed	\$30,576.83	15%	\$4,586.52	\$65,576.83	15%	\$9,836.52
5635-Property Insurance	\$2,691.23	15%	\$403.68	\$7,691.23	15%	\$1,153.68
5640-Injuries and Damages	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5645-Employee Pensions and Benefits	\$21,843.90	15%	\$3,276.59	\$22,280.78	15%	\$3,342.12
5650-Franchise Requirements	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5655-Regulatory Expenses	\$21,093.57	15%	\$3,164.04	\$35,000.00	15%	\$5,250.00
5660-General Advertising Expenses	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5665-Miscellaneous General Expenses	\$65,670.03	15%	\$9,850.50	\$0.00	15%	\$0.00
5670-Rent	\$0.00	15%	\$0.00	\$8,000.00	15%	\$1,200.00
5675-Maintenance of General Plant	\$8,039.64	15%	\$1,205.95	\$0.00	15%	\$0.00
5680-Electrical Safety Authority Fees	\$495.18	15%	\$74.28	\$2,500.00	15%	\$375.00
5685-Independent Market Operator Fees and Penalties	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
Sub-Total	\$200,375.61		\$30,056.34	\$315,642.52		\$47,346.38

- c) In E2/T4/S1, Clinton Power documents a Working Capital Allowance for the 2009 Bridge Year of \$412,013.79. This contrasts with an amount of \$353,150 shown in the above table. Similarly, Clinton Power documents a Working Capital Allowance of \$436,918.97 for the 2010 Test Year, in contrast with \$356,100. Please explain and reconcile.
- **Corrected and reconciled above.**
- d) Please document in detail the derivation of the Cost of Power calculated for the 2009 Bridge and 2010 Test Years, showing the commodity price, Wholesale Market Service Charge and transmission prices used.

Rates 2009							
	Network Service	Connnection Service	Wholesale Market	Rural Rate Protection	Commodity	SSS Admin	LV
RESIDENTIAL							
Regular	\$0.0048	\$0.0044	\$0.0052	\$0.0013	\$0.0560	\$0.2500	0.0012
GENERAL SERVICE					\$0.0560		
Less than 50 kW	\$0.0043	\$0.0039	\$0.0052	\$0.0013	\$0.0560	\$0.2500	0.0008
Greater than 50 to 499 kW	\$1.7537	\$1.5761	\$0.0052	\$0.0013	\$0.0560	\$0.2500	0.2940
Unmetered Scattered Load	\$1.3226	\$0.7920	\$0.0052	\$0.0013	\$0.0560	\$0.2500	0.3236
Sentinel Lighting	\$1.3294	\$1.2439	\$0.0052	\$0.0013	\$0.0560	\$0.2500	0.3389
Street Lighting	\$1.3226	\$1.2184	\$0.0052	\$0.0013	\$0.0560	\$0.2500	0.3257

Rates 2010							
	Network Service	Connnection Service	Wholesale Market	Rural Rate Protection	Commodity	SSS Admin	LV
RESIDENTIAL							
Regular	\$0.0047	\$0.0080	\$0.0052	\$0.0013	\$0.0560	\$0.2500	0.0000
GENERAL SERVICE							
Less than 50 kW	\$0.0042	\$0.0071	\$0.0052	\$0.0013	\$0.0560	\$0.2500	0.0000
Greater than 50 to 499 kW	\$1.7820	\$2.8421	\$0.0052	\$0.0013	\$0.0560	\$0.2500	0.0000
Unmetered Scattered Load	\$1.3062	\$1.4282	\$0.0052	\$0.0013	\$0.0560	\$0.2500	0.0000
Sentinel Lighting	\$1.3129	\$2.2431	\$0.0052	\$0.0013	\$0.0560	\$0.2500	0.0000
Street Lighting	\$1.3062	\$2.1971	\$0.0052	\$0.0013	\$0.0560	\$0.2500	0.0000

- e) As necessary, please update E2/T4/S1 based on the response to this interrogatory.

- **No update required, the missing data is provided above.**

Exhibit 3 – Operating Revenues

14. E3/T3/S4 – Distribution Revenue

- a) In the tables shown for each year, the right-most column is labelled as “Unit Revenues \$/kWh”. Distribution revenues are recovered based on a fixed monthly service charge and a volumetric rate per kWh or per kW of consumption/demand. The numbers shown in the right-most column do not appear to correspond to Clinton Power’s Board-approved volumetric rates (or proposed rates for 2010) for each year. Please explain the unit revenues per kWh shown and the purpose of this.
- **The unit revenues per kWh shown are for the total distribution revenue divided by the consumption and therefore would not match the approved or proposed variable rates.**
 - **The purpose is to provide a quick comparison year over year of the change in distribution revenue by class based on consumptions.**
- b) On page 2, the label for 2008 is “2008 Actual – Normalized”, while 2006 and 2007 actuals are provided on page 1. Please explain what is meant by “2008 Actual – Normalized” and what is the purpose of presenting this data.
- **The label should simply read 2008 Actual and not include the normalized description.**
- c) Please update the tables showing 2008 Actual and 2009 Actual.
- **See the updated table below.**

	<u>2008 Actual</u>		Normalized	
	Customers	Normalized	Distribution	
	(Year-End)	Consumption	Revenues	
		(kWh / KW)	(\$)	
Residential	1,393	11,477,044	\$271,066.84	\$0.0236
GS<50	220	5,219,160	\$104,856.04	\$0.0201
GS>50 to 4999 kW	17	27,547	\$115,209.06	\$4.1822
Unmetered Scattered Load	11	51,400	\$1,910.40	\$0.0372
Sentinel Lighting	7	116	\$181.04	\$1.5645
Street Lighting	709	1,009	\$1,595.66	\$1.5821
TOTAL	2,357		\$494,819.04	

	<u>2009 Actual</u>		Distribution	
	Customers	Consumption	Revenues	Unit
	(Year-End)	(kWh / KW)	(\$)	Revenues
				\$/kWh
Residential	1,411	11,682,740	\$289,296.27	\$0.024763
GS<50	221	5,329,361	\$106,703.74	\$0.020022
GS>50 to 4999 kW	17	33,765	\$142,222.06	\$4.212172
Unmetered Scattered Load	11	60,756	\$1,865.56	\$0.030706
Sentinel Lighting	7	109	\$136.73	\$1.255932
Street Lighting	709	1,008	\$1,605.60	\$1.592857
TOTAL	2,376		\$541,829.95	

15. Ref: E3/T2/S2 – Load Forecast

- a) In Table 2, are the monthly residential kWh actuals? Please explain. If 2009 data are not actuals, please document the derivation of monthly amounts, showing all calculations.
- ***The monthly residential kWhs from 2007 to 2009 are actuals.***
- b) Please document, showing all calculations, the derivation of the monthly kWh for all months in the 2010 test year.
- ***The steps of the 2010 residential kWh forecast are shown below.***

1. ***Collect hourly temperature data from Environment Canada from 2005 to 2009. (Please see attached Excel File “ Temperature Dist”)***

- 2. Calculate the average temperature for each day from 2005 to 2009.**

Please see column “AB” of the Weather Data sheets of the attached Excel File “Temperature Dist”.

- 3. Calculate HDD and CDD for each day from 2005 to 2009 using the following formula:**

HDD = 18 °C minus average temperature of the day. If the value calculated is less than or equal to zero, that day has zero HDD. But if the value is positive, that number represents the number of HDD on that day.

CDD= Average temperature of the day minus 18 °C. If the value calculated is less than or equal to zero, that day has zero CDD. But if the value is positive, that number represents the number of CDD on that day.

Please see Columns AC and BH of the of the Weather Data sheets of the attached Excel File “Temperature Dist”.

- 4. Calculate the annual HDD from 2005 to 2009. The HDD for the year is calculated by summing the daily HDD from January to May and from October to December.**

Please see Column H of the sheet “HDD CDD data” of the attached Excel File “Temperature Dist”.

- 5. Calculate the annual CDD from 2005 to 2009. The HDD for the year is calculated by summing the daily HDD from January to May and from October to December.**

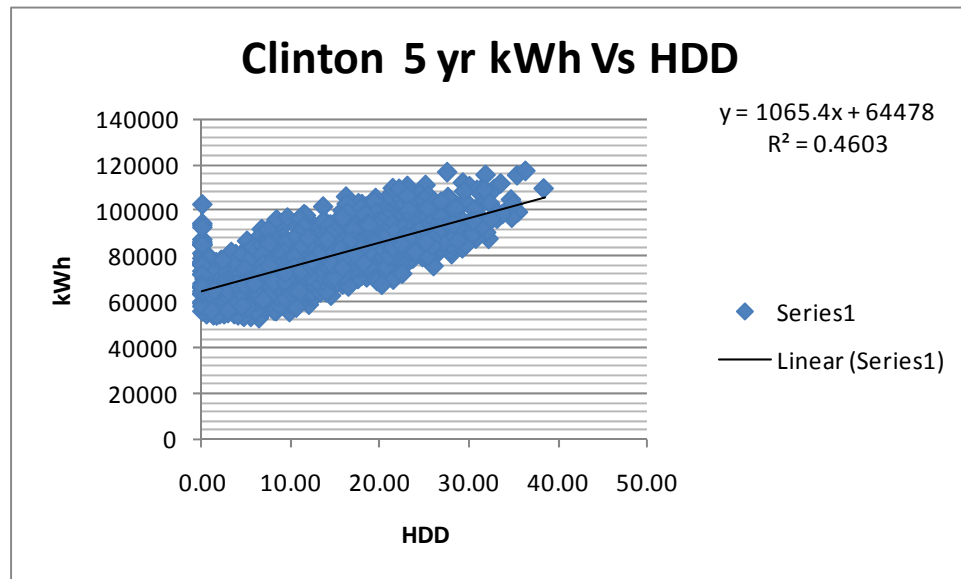
Please see Column Q of the sheet “HDD CDD data” of the attached Excel File “Temperature Dist”.

For easy reference the Annual HDD and CDD from 2005 to 2009 is shown below.

	2005	2006	2007	2008	2009	5 yr Average
HDD	3,719	3,257	3,597	3,705	3,657	3,587
CDD	525	356	395	280	196	351

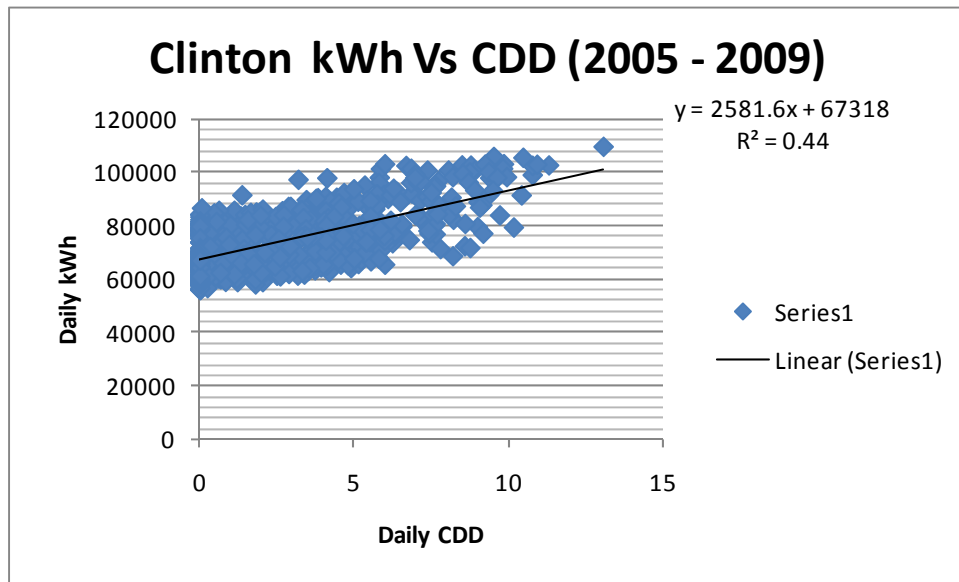
- 6. Collect Daily KWh of the NSLS from Clinton Power Corp. from 2005 to 2009.**

7. Using the Scatter plot features of Excel 2007, plot the daily kWh of the NSLS against the daily HDD for the months from January to May and from October to December for the years from 2005 to 2009. Insert a trend line. The plot is shown below. The slope is 1065.4 kWh/HDD. The 5 year average daily kWh is 80,191 kWh. The relationship between the daily kWh and HDD is 1.33% daily kWh demand per HDD.



5 year average	80191 kWh
kWh/HDD	1065.4
% kWh/HDD	1.33%

8. Using the Scatter plot features of Excel 2007, plot the daily kWh of the NSLS against the daily CDD for the summer months from June to September for the years from 2005 to 2009. Insert a trend line. The plot is shown below. The slope is 2,581.6 kWh/CDD. The 5 year average summer daily kWh is 74,737 kWh. The relationship between the daily kWh and CDD is 3.5% daily kWh demand per CDD.



5 year Average	74,737
kWh/CDD	2581.6
% kWh/CDD	3.5%

9. Collect actual monthly kWh for the residential class from 2007 to 2009.

Residential Customers kWh	2007	2008	2009
Jan	1,674,427	1,240,388	1,294,542
Feb	1,568,872	1,200,951	1,103,302
Mar	1,137,623	1,016,903	1,320,351
Apr	961,160	962,253	1,107,341
May	755,915	937,688	817,638
Jun	857,512	780,716	752,452
Jul	970,422	880,544	995,830
Aug	1,043,671	922,021	754,141
Sep	831,286	853,878	960,543
Oct	843,266	877,290	721,221
Nov	938,395	863,618	842,247
Dec	940,466	940,794	1,013,131
Annual	12,523,015	11,477,044	11,682,740

10. Calculate the HDD variation from the 5 year average.

	2007	2008	2009
Heating Degree Days	3,597	3,705	3,657
Five Year Average HDD	3,587	3,587	3,587
Average minus Actual HDD	(10)	(118)	(70)

- 11. Calculate the daily average kWh of the residential class excluding summer months (June to September) from 2007 to 2009 for the residential class by adding the actual monthly kWh averages of the non summer months and divide the total by the total number of days of the non-summer months.**

Residential Customers kWh	2007	2008	2009
Average Daily kWh (excluding Summer months)	36,297	33,086	33,826

- 12. Calculate the kWh adjustment for the residential class due to HDD by multiplying the average daily kWh (excluding the summer months) with the “Average minus Actual HDD” with the “% kWh/HDD” calculated in step 7.**

	2007	2008	2009
Heating Degree Days	3,597	3,705	3,657
Five Year Average HDD	3,587	3,587	3,587
Average minus Actual HDD	(10)	(118)	(70)
Average Daily kWh (excluding Summer months)	36,297	33,086	33,826
% daily kWh/HDD	1.43%	1.43%	1.43%
kWh HDD adjustment	(5,063)	(55,809)	(33,883)

- 13. Calculate the CDD variation from the 5 year average.**

	2007	2008	2009
Summer Cooling Degree Days	395	280	196
Five Year Average CDD	351	351	351
Average minus Actual CDD	(44)	70	154

- 14. Calculate the summer (June to September) daily kWh of the residential class from 2007 to 2009 by adding the actual monthly kWh averages of the summer months and divide the sum by the total number of days of the summer months.**

Residential Customers kWh	2007	2008	2009
Average Summer Daily kWh	30,352	28,173	28,385

- 15. Calculate the kWh adjustment for the residential class due to CDD by multiplying the average daily kWh of the summer months with the “Average minus Actual CDD” with the “% kWh/CDD” calculated in step 8.**

	2007	2008	2009
Summer Cooling Degree Days	395	280	196
Five Year Average CDD	351	351	351
Average minus Actual CDD	(44)	70	154
Average Summer Daily kWh	30,352	28,173	28,385
% daily kWh/CDD	3.50%	3.50%	3.50%
kWh CDD adjustment	(46,821)	69,236	153,413

- 16. Calculate the annual weather adjusted kWh of the residential class by adding the kWh HDD adjustment (step 12) and the kWh CDD adjustment (step 15) to the actual annual kWh.**

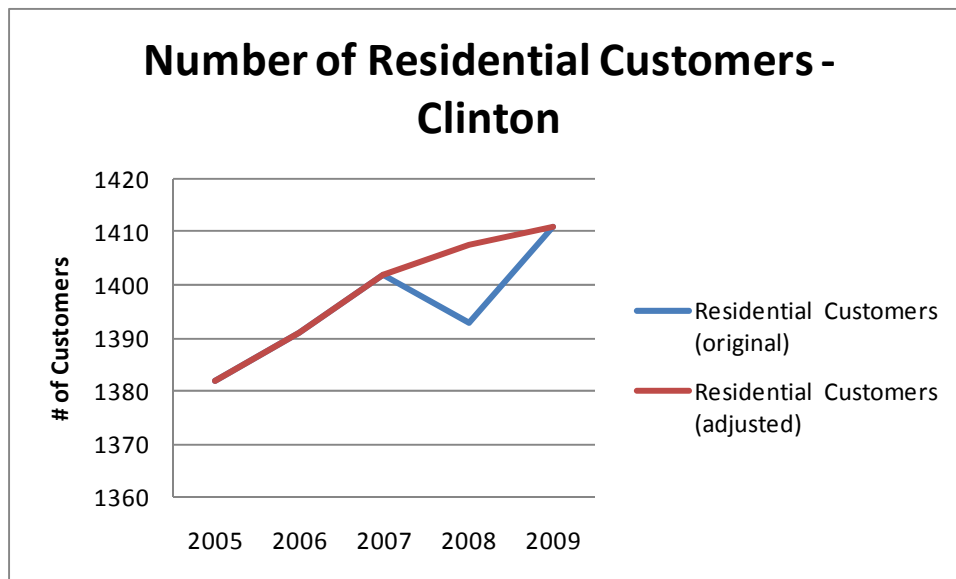
Residential Customers kWh	2007	2008	2009
Annual (Actual)	12,523,015	11,477,044	11,682,740
kWh HDD adjustment	(5,063)	(55,809)	(33,883)
kWh CDD adjustment	(46,821)	69,236	153,413
Annual (Weather adjusted)	12,471,131	11,490,471	11,802,269

- 17. Calculate the average kWh/customer/month for both actual and weather adjusted from 2007 to 2009.**

Residential Customers kWh	2007	2008	2009
Annual (Actual)	12,523,015	11,477,044	11,682,740
Annual (Weather adjusted)	12,471,131	11,490,471	11,802,269
Number of customers	1,402	1,408	1,411
kWh/customer/month (actual)	744	679	690
kWh/customer/month (weather adjusted)	741	680	697

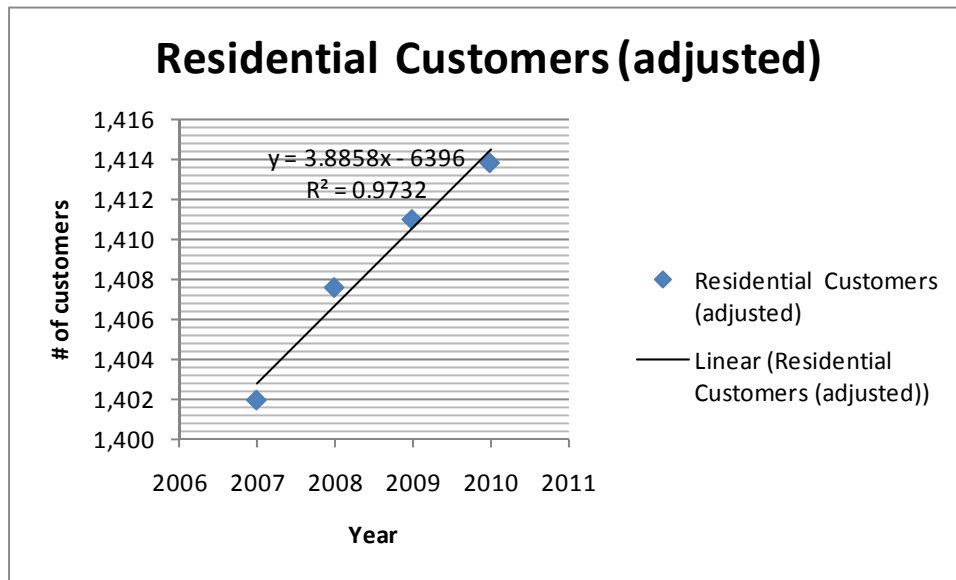
18. Collect the number of residential customer data from 2005 to 2009. The number of customers in 2008 was adjusted because of suspected data error. Calculate the annual growth rate. The annual growth rate shows a downward trend from 2006 to 2009.

	2005	2006	2007	2008	2009
Residential Customers (original)	1382	1391	1402	1393	1411
Residential Customers (adjusted)	1382	1391	1402	1408	1411
Annual Growth Rate		0.7%	0.8%	0.4%	0.2%



The number of customers in 2010 was estimated by multiplying the actual number of customers in 2009 by the average growth rate of 2009 (0.2%). The projected number of customers in 2010 was 1414. This number also matches a linear model of the number of customers from 2007 to 2010.

	2005	2006	2007	2008	2009	2010
Residential Customers (original)	1382	1391	1402	1393	1411	1,414
Residential Customers (adjusted)	1382	1391	1402	1408	1411	1,414
Annual Growth Rate		0.7%	0.8%	0.4%	0.2%	0.2%



- 19. Calculate the 2010 annual kWh by multiplying the forecast number of residential customers with the weather adjusted kWh/customer per month and multiply by 12. The forecast annual 2010 residential kWh is 11,826,696 (1414 customers x 697 kWh/customer/month x12).**
- 20. Calculate the monthly kWh in 2010 by multiplying the 2010 annual kWh with the ratio of 2009 monthly kWh to 2009 annual kWh. For example the 2010 December kWh is 1,015,228 (11,826,696 x 1,013,131/11,682,740).**

Residential Customers kWh	2007	2008	2009	Forecast 2010
Jan	1,674,427	1,240,388	1,294,542	1,297,221
Feb	1,568,872	1,200,951	1,103,302	1,105,585
Mar	1,137,623	1,016,903	1,320,351	1,323,084
Apr	961,160	962,253	1,107,341	1,109,633
May	755,915	937,688	817,638	819,330
Jun	857,512	780,716	752,452	754,009
Jul	970,422	880,544	995,830	997,891
Aug	1,043,671	922,021	754,141	755,701
Sep	831,286	853,878	960,543	962,531
Oct	843,266	877,290	721,221	722,714
Nov	938,395	863,618	842,247	843,991
Dec	940,466	940,794	1,013,131	1,015,228
Annual (Actual)	12,523,015	11,477,044	11,682,740	11,826,696

16. Ref: E3/T2/S2 – Load Forecast

For each customer class:

- a) Please provide a detailed explanation outlining how the “% daily kWh/HDD” and “% daily kWh/CDD” are calculated.
- ***Residential Class : Please see answers in 1 b above. GS < 50 kW: Similar to residential class. All Other Classes: Not Applicable.***
- b) Please identify the significance of this percentage.
- ***This percentage was used to calculate the kWh adjustment due to HDD and CDD. Please see #12 and #15 in the answers to 1b above. For the residential customers, both the actual kWh/customer/month and the weather adjusted kWh/customer/month are shown below.***

Residential Customers kWh	2007	2008	2009
Annual (Actual)	12,523,015	11,477,044	11,682,740
Annual (Weather adjusted)	12,471,131	11,490,471	11,802,269
Number of customers	1,402	1,408	1,411
kWh/customer/month (actual)	744	679	690
kWh/customer/month (weather adjusted)	741	680	697

- ***For the GS < 50 kW customers both the actual kWh/customer/month and the weather adjusted kWh/customer/month are shown below.***

	2007	2008	2009	2010 forecast
Actual kWh	6,002,124	5,219,160	5,329,361	5,391,828
Weather adjusted kWh	5,977,638	5,228,660	5,391,828	5,391,828
change from previous yr (weather adjusted)		-12.5%	3.1%	0.0%
Actual kW	1,132	981	1,018	1,030
Peak Demand kW weather adjusted	1,128	983	1,030	1,030
Annual LF	61%	61%	60%	60%
# of Customers	227	220	221	221
kWh/customer/month (Actual)	2,203	1,977	2,010	2,033
kWh/customer/month (Weather Adjusted)	2,194	1,981	2,033	2,033

17. Ref: E3/T2/S2 – Load Forecast

Please identify the source from which Clinton Power obtained the five year average HDD and CDD.

- ***The hourly outside temperature was obtained from Environment Canada. The calculation of the HDD and CDD are described in Ans. to 1 b.***

18. Ref: E3/T2/S2 – Load Forecast

Clinton Power has stated that the projected growth in 2010 for the General Service > 50 kW class is 2%.

Please explain the derivation of the 2%.

- ***The IESO 18 month outlook forecast for 2010 energy growth showed 1.3 %. The Ontario 2010 real GDP growth was predicted as 2.7% (updated on May 7, 2010). The projected growth for this class of customer in 2010 is based on the IESO's 2010 energy forecast (1.3 %) and round it up to 2%. This is just a rough estimate without sufficient customer data available at the time of doing the forecast.***

19. Ref: E3/T2/S2 – Load Forecast

Clinton Power identifies the IESO 18 month outlook as of May 2010 as 1.3%.

Please explain how this was used in determining Clinton Power's load forecast.

- ***Please see Ans. to #3 above.***

20. Ref: E3/T2/S2 – Load Forecast

Clinton Power's total kilowatt-hour load for 2006 and 2010 are 33,331,959 and 29,529,966 respectively.

Please provide the major drivers of the 11.4% decrease in load from 2006 to 2010.

- *The Municipality of Clinton is a small rural town that relies on the rural community for its lively hood. During the last several years the farmers have had both good and bad years, this results in less money being spent in the local community in the bad years, which in turn caused small businesses reducing the hours they work or in the case of the feed mill reducing the amount of grain it need to handle.*

21. Ref: E3/T2/S2/P3 – Load Forecast for GS > 50 kW class

The following table highlights the fluctuations in load for the general service > 50 kW class.

	2005	2006	2007	2008	2009	2010
GS > 50	32,371	26,354	38,426	27,547	33,765	34,478
		- 6,017	12,072	- 10,879	6,218	713
		-19%	46%	-28%	23%	2%
# of customers	17	17	17	17	17	17

Please explain the significant decline in load from 2005 to 2006 and from 2007 to 2008.

- *Please see the explanation in question number 20 above.*

Exhibit 4 – Operating Expenses

OM&A

22. Ref: http://www.oeb.gov.on.ca/OEB/_Documents/EB-2006-0268/Comparison_of_Distributors_with_2007_data.xls

The figures in Table 1 below are taken directly from the public information filing in the Reporting and Record-keeping Requirements ("RRR") initiative of the OEB. The figures are available on the OEB's public website.

Table 1

	2003	2004	2005
Operation	\$ 74,603	\$ 59,487	\$ 89,170
Maintenance	\$ 75,576	\$ 35,777	\$ 34,832
Billing and Collection	\$ 90,723	\$ 71,604	\$ 62,702
Community Relations	\$ 3,029	\$ 4,660	\$ 1,917
Administrative and General Expenses	\$ 147,747	\$ 162,030	\$ 176,901
Total OM&A Expenses	\$ 391,677	\$ 333,558	\$ 365,521

Please confirm that Clinton Power is in agreement with the numbers for Total OM&A Expenses that are summarized in Table 1. If Clinton Power does not agree with any figures in the table, please explain why not and provide amended tables with a full explanation of all changes.

- **Confirmed.**

23. Ref: E4/T1/S2/P1 – Operating Costs

Board staff took the figures from the evidence provided in Exhibit 4 of the application and prepared Table 2 as a summary of Clinton Power's OM&A expenses. Note rounding differences may occur, but are not material to the questions that follow.

Table 2

	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 Bridge Year	2010 Test
Operation	\$ 93,042	\$ 41,275	\$ 71,580	\$ 91,870	\$ 87,466	\$ 84,842
Maintenance	\$ 35,111	\$ 118,507	\$ 67,237	\$ 56,474	\$ 153,176	\$ 148,581
Billing and Collection	\$ 86,198	\$ 118,776	\$ 110,809	\$ 160,975	\$ 178,653	\$ 215,651
Community Relations	\$ 7,379	\$ 3,646	\$ 4,133	\$ 738	\$ 13,398	\$ 7,500
Administrative and General Expenses	\$ 229,176	\$ 201,172	\$ 311,157	\$ 169,779	\$ 220,359	\$ 340,643
Total OM&A Expenses	\$ 450,906	\$ 483,376	\$ 564,916	\$ 479,836	\$ 653,052	\$ 797,217

Table 3

	2006 Board Approved	Variance 2006/2006	2006 Actual	Variance 2007/2006	2007 Actual	Variance 2008/2007	2008 Actual	Variance 2009/2008	2009 Bridge	Variance 2010/2008	2010 Test	Variance 2010/2006
Operation	93,042	-51,767	41,275	30,305	71,580	20,290	91,870	-4,404	87,466	-2,624	84,842	43,567
		-55.6%		73.4%		28.3%		-4.8%		-3.0%		105.6%
Maintenance	35,111	83,396	118,507	-51,270	67,237	-10,763	56,474	96,702	153,176	-4,595	148,581	30,074
		237.5%		-43.3%		-16.0%		171.2%		-3.0%		25.4%
Billing & Collections	86,198	32,578	118,776	-7,967	110,809	50,166	160,975	17,678	178,653	36,998	215,651	96,875
		37.8%		-6.7%		45.3%		11.0%		20.7%		81.6%
Community Relations	7,379	-3,733	3,646	487	4,133	-3,395	738	12,660	13,398	-5,898	7,500	3,854
		-50.6%		13.4%		-82.1%		1715.4%		-44.0%		105.7%
Administrative and General Expenses	229,176	-28,004	201,172	109,985	311,157	-141,378	169,779	50,580	220,359	120,284	340,643	139,471
		-12.2%		54.7%		-45.4%		29.8%		54.6%		69.3%
Total OM&A Expenses	450,906	32,470	483,376	81,540	564,916	-85,080	479,836	173,216	653,052	144,165	797,217	313,841
		7.20%		16.87%		-15.06%		36.10%		22.08%		64.9%

- a) Please confirm that Clinton Power agrees with the figures presented in Table 2 and Table 3. If Clinton Power does not agree with any figures in the table please explain why not and provide amended tables with a full explanation of all changes.

- **West Perth confirms it agrees with the above table.**

- b) Please update the table to reflect 2009 Actuals.

	2006 Board Approved	Variance 2006/2006	2006 Actual	Variance 2007/2006	2007 Actual	Variance 2008/2007	2008 Actual	Variance 2009/2008	2009 Actual	Variance 2010/2009	2010 Test	Variance 2010/2006
Operation	93,042	- 51,767	41,275	30,305	71,580	20,290	91,870	- 4,404	87,466	- 2,624	84,842	43,567
		-55.6%		73.4%		28.3%		-4.8%		-3.0%		105.6%
Maintenance	35,111	83,396	118,507	- 51,270	67,237	- 10,763	56,474	111,002	167,476	- 18,895	148,581	30,074
		237.5%		-43.3%		-16.0%		196.6%		-11.3%		25.4%
Billing & Collecting	86,198	32,578	118,776	- 7,967	110,809	50,166	160,975	- 31,999	128,976	86,675	215,651	96,875
		37.8%		-6.7%		45.3%		-19.9%		67.2%		81.6%
Community Relations	7,379	- 3,733	3,646	487	4,133	- 3,395	738	12,651	13,389	- 5,889	7,500	3,854
		-50.6%		13.4%		-82.1%		1714.2%		-44.0%		105.7%
Admin & General	229,176	- 28,004	201,172	109,985	311,157	- 141,378	169,779	102,704	272,483	68,160	340,643	139,471
		-12.2%		54.7%		-45.4%		60.5%		25.0%		69.3%
Total OM&A Expenses	450,906	32,470	483,376	81,540	564,916	- 85,080	479,836	189,953	669,789	127,428	797,217	313,841
		7.2%		16.9%		-15.1%		39.6%		19.0%		64.9%

- c) In E4/T2/S2/P8 Clinton Power has provided a cost driver table. However, the categories chosen are extremely high-level. Please complete Table 4 by identifying and listing the key cost drivers that are contributing to the overall increase of 64.9% in total 2010 OM&A expenses over 2006 historical actuals. Please add additional rows to Table 4 if there are more than four cost drivers. Some examples of specific cost drivers include items such as X% increase in staff compensation, hiring x staff, X% increase in cost of contractors, X% increase in inflation, etc.

For each year, a detailed explanation is required for each cost driver and associated amount.

- **Clinton Power continues to work on the data and explanations required for the request and will provide it upon completion.**

Table 4

OM&A	2006 Actual	2007 Actual	2008 Actual	2009 Bridge	2010 Test Year
Opening Balance	450,905	483,376	564,916	479,836	653,051
Cost Driver #1					
Cost Driver #2					
Cost Driver #3					
Cost Driver #4					
Etc....					
Closing Balance	483,376	564,916	479,836	653,051	797,216

d) Please provide a summary of OM&A expenses in the format of Table 5 below. ***Provided Electronically.***

Table 5

[illegible]

- e) The increases from 2006 to 2010 appear to be largely concentrated in increases in Administrative and General Expenses. Clinton Power provides a general discussion of cost drivers for OM&A in E4/T2/S2, although the information is provided by different categories than the account categories shown in table 6 above.
- Please provide a detailed description of the increases in Administrative and General Expenses for the 2008, 2009 bridge and 2010 test years.
 - Please provide a detailed description of the increases in Maintenance expenses for the 2009 bridge and 2010 test years.
 - Please provide a detailed description of the increases in billing and collections expenses for the 2008, 2009 bridge and 2010 test years.

Table 6

Account	Account Description	2006 Actual	2010 Test	Variance	Explanation
5005	Operation Supervision and Engineering	\$ 8,208	\$ 14,208	\$ 6,001	
5017	Distribution Station Equipment - Operation Supplies and Expenses	\$ 10,477	\$ 21,177	\$ 10,701	
5085	Miscellaneous Distribution Expense	\$ 9,996	\$ 44,077	\$ 34,080	
5114	Maintenance of Distribution Station Equipment	\$ 20,742	\$ -	\$ -20,742	
5120	Maintenance of Poles, Towers and Fixtures	\$ 10,008	\$ 50,516	\$ 40,508	
5150	Maintenance of Underground Conductors and Devices	\$ 8,962	\$ 17,255	\$ 8,293	
5155	Maintenance of Underground Services	\$ 11,775	\$ 17,672	\$ 5,897	
5160	Maintenance of Line Transformers	\$ 9,299	\$ 22,473	\$ 13,174	
5310	Meter Reading Expense	\$ 17,897	\$ 71,049	\$ 53,152	
5315	Customer Billing	\$ 39,458	\$ 58,122	\$ 18,664	
5320	Collecting	\$ 38,013	\$ 50,980	\$ 12,967	
5330	Collection Charges	\$ -	\$ 9,500	\$ 9,500	
5335	Bad Debt Expense	\$ 24,696	\$ 45,000	\$ 20,304	
5410	Community Relations - Sundry	\$ 529	\$ 5,000	\$ 4,471	
5605	Executive Salaries and Expenses	\$ 13,453	\$ 85,900	\$ 72,447	
5615	General Administrative Salaries and Expenses	\$ 8,603	\$ 27,331	\$ 18,728	
5645	Employee Pensions and Benefits	\$ 5,982	\$ 22,281	\$ 16,299	
5670	Rent	\$ -	\$ 8,000	\$ 8,000	
6035	Interest Expense	\$ 5,125	\$ 25,000	\$ 19,875	

- Current management is not in position to provide these explanations. The historical general ledger systems are not in operation and current management had no control over the operations back in 2006.***
- Clinton Power will endeavour to obtain the detail required to explain the changes over time and provide detailed responses to this questions with the second round of interrogatories.***

24. Ref: E4/T2/S2/P8 – Cost Drivers

Clinton Power has provided the following table identifying key cost drivers from 2006 to the 2010 test year.

	2006	2007	2008	2009	2010
Opening Balances	\$ 450,905.62	\$ 483,376.70	\$ 564,916.11	\$ 479,836.70	\$ 653,051.36
Labour	\$ 18,977.97	\$ 13,977.97	\$ 13,431.54	\$ 104,358.02	\$ 72,000.00
Materials	\$ 12,651.98	\$ 10,151.98	\$ 8,954.36	\$ 69,572.02	\$ 13,411.10
Outside Services	\$ 5,283.49	\$ 61,170.45	\$ (35,616.57)	\$ (58,098.04)	\$ 35,000.00
Office supplies	\$ 759.71	\$ (8,385.10)	\$ 19,363.04	\$ (7,970.06)	\$ 628.45
Other	\$ (5,202.07)	\$ 4,624.11	\$ (91,211.78)	\$ 65,352.72	\$ 23,125.53
Total	\$ 483,376.70	\$ 564,916.11	\$ 479,836.70	\$ 653,051.36	\$ 797,216.44

For each of the years in the table above, please provide a listing and explanation for the costs that are accounted for in the "other" category.

- ***In 2006 and 2007 the other category is difficult to quantify as historical gl detail was not made available by prior management and due to inconsistencies with coding of expenditures over the same time frame.***

25. Ref: E4/T2/S2 – One Time Costs

Please identify all one-time costs included in the 2010 test year OM&A forecast.

- ***The only one time costs included in this application for Clinton Power are the costs to complete its 2010 Cost of Service Application.***

26. Ref: E4/T2/S2 – Account 5655 – Regulatory Expenses

Clinton Power states, at page 6:

Clinton Power has increased this account by \$35,000 for 2010 rate year and the following three years to cover the cost of the 2010 Cost of Service rate application and additional increased regulatory cost and workload related amendments to the Distribution System Code, Conditions of Service and other new compliance requirements.

- a) The total for 2010 and three years of IRM adjustments totals \$140,000 (\$35,000 x 4). Please provide a breakout of the estimated regulatory expenses between: i) the 2010 Cost of Service Application; ii) Distribution System Code amendments; iii) Conditions of Service; and iv) other new compliance requirements.

- ***\$128,000 or one fourth of that amount of \$32,000 are costs with respect to the cost of service application, the remaining \$3,000 is the costs to complete the annual IRM rate filing on an annual basis.***
 - ***There are no other costs included in this amount.***
- b) Please identify what aspects of reviewing and/or revising its Conditions of Service is driving forecasted increases in regulatory expenses.
- ***Minimal costs that have not impacted the changes in regulatory expenses.***
- c) Please identify what “other new compliance requirements” Clinton Power is referring to driving, in part, increased regulatory expenses.
- ***Nothing has been forecast.***
- d) Please complete Table 7 below.
- ***Historical data for this filing was unavailable at the time of filing and will be completed and filed separately as soon as it is complete.***

Table 7: Regulatory Cost Schedule

[illegible]

27. Ref: E4/T2/S2 – OM&A Cost per Customer and FTEE

To better understand the overall costs of operations and related trends, Board staff would like expenses standardized to cost per customers, and cost per full time employee and equivalent (“FTEE”). Please complete the following table.

- ***Provided electronically as IR excel charts for Clinton.xls.***

Table 8

	2006 Actual	2007 Actual	2008 Actual	2009 Bridge Year	2010 Test Year
Number of Customers					
Total OMA					
OMA cost per Customer					
Number of FTEEs					
FTEEs/Customer					
OMA cost per FTEE					

28. Corporate Cost Allocation

Corporate Cost Allocation is defined as an allocation of costs for corporate and miscellaneous shared services from the parent company to the utility (and vice versa). This is not to be confused with the allocation of the revenue requirement to rate classes for the purposes of rate design.

Note: The applicant must identify any Board of Director related costs for affiliates that are included in its costs.

- ***No allocation of Corporate Costs has been downloaded to Clinton Power or included in this application.***

- For each year, from 2006 to 2010, please complete Table 9 below.
(Additional rows may be added if required)

- b) Please provide a variance explanation for each of the following:
- i Test Year vs. Last Board Approved Rebasing Application; and
 - ii Test Year vs. Most Current Actuals.

Table 9 YEAR_____

Name of Company		Service Offered	Pricing Methodology	Price for the Service (\$)	Cost for the Service (\$)	% Allocation
From	To					

29. E4/T2/S5 – Purchase of Products and Services from Non-Affiliates

- a) Section 2.5.6 of Chapter 2 of the Filing Requirements for Transmission and Distribution Applications, issued June 28, 2010, states:

2.5.6 Purchase of Non-Affiliate Services

Distribution expenses incurred through the purchase of services must be documented and justified.

The following items must be provided for Historical (actuals), Bridge and Test Years:

- Identification of each company transacting with the applicant subject to the applicable materiality threshold;
- Summary of the nature of the product or service that is the subject of the transaction;
- Annual dollar amount related to each company (by transaction); and
- A description of the specific methodology used in determining the vendor (including a summary of the tendering process/cost approach, etc.).

Please provide a table showing purchases of services from non-affiliates covering each of the years: 2006 Board-Approved, 2006 actual, 2007 actual, 2008 actual, 2009 Bridge, 2009 actual and 2010 Test, in compliance with Section 2.5.6 of the Filing Requirements.

- ***Clinton Power is still in the process of compiling this information and will submit it as soon as it is complete.***

30. Ref: E4/T2/S3/P1 – Employee Compensation

Please complete Table 10 below and provide explanations and justifications for year over year variances (include month hired for newly hired employees, inflation rates, collective agreement rates, etc);

Note: Where there are three or fewer employees in any category, the applicant may aggregate this category with the category to which it is most closely related. This higher level of aggregation may be continued, if required, to ensure that no category contains three or fewer employees.

- ***Employee data is provided electronically as IR excel charts for Clinton.xls.***

Table 10

	Last Rebasing Year	Historical Year (Bridge Year -1)	Bridge Year	Test Year
Number of Employees (FTEs including Part-Time)				
Executive				
Management				
Non-Union				
Union				
Total				
Number of Part-Time Employees				
Executive				
Management				
Non-Union				
Union				
Total				
Total Salary and Wages				
Executive				
Management				
Non-Union				
Union				
Total				
Total Benefits				
Executive				
Management				
Non-Union				
Union				
Total				
Total Compensation (Salary, Wages, & Benefits)				
Executive				
Management				
Non-Union				
Union				
Total				
Compensation - Average Yearly Base Wages				
Executive				
Management				
Non-Union				
Union				
Total				
Compensation - Average Yearly Overtime				
Executive				
Management				
Non-Union				
Union				
Total				
Compensation - Average Yearly Incentive Pay				
Executive				
Management				
Non-Union				
Union				
Total				
Compensation - Average Yearly Benefits				
Executive				
Management				
Non-Union				
Union				
Total				
Total Compensation				
Total Compensation Charged to OM&A				
Total Compensation Capitalized				

31. Ref: E1/T2/S1/P5 – Capitalization Policy

Clinton Power states that it continues to expand and reinforce its distribution system.

- a) Please confirm that Clinton Power has not made changes to the company's accounting policies in respect of capitalization of operation expenses and/or has not made any changes to accounting estimates used in the allocation of costs between operations and capital expenses post fiscal year end 2004. If any accounting policy changes or any significant changes in accounting estimates have been made post 2004 fiscal year end, please explain the changes including the rationale. Provide all supporting documentation and a discussion highlighting the impact of the changes.

- ***Clinton Power has not made changes to its capitalization policy.***

- b) Please explain Clinton Power's capitalization policy.

- ***Clinton Power capitalizes all direct costs associated with the building of new distribution assets.***

32. Ref: E4/T1/S1/P1 – Economic Assumptions for Increases to OM&A

Please identify the inflation rate used for the 2010 OM&A forecast and the source document for the inflation assumptions.

- ***The inflation rate used was 2% and factored in a 3% increase in labour costs which has been a standard annual increase for staff and a 1% reduction in that number to recognize that material costs should not increase in the same manner as labour.***
- ***This conservative inflation rate was utilized knowingly due to the additional cost requirements in other aspects of the business that were necessary in 2009 and 2010.***
- ***There are no specific source documents that were utilized to support the inflation assumptions.***

33. Ref: E4/T2/S2 and E4/T2/S4 – Customer Care, Billing and Collections Services

In E4/T2/S2, Clinton Power notes that customer handling, billing and collections services are contracted to a service provider named Ecaliber.

- a) Is Ecaliber affiliated or unaffiliated with Clinton Power?
- ***Ecaliber became affiliated with Clinton Power on January 1st, 2010.***
- b) If Ecaliber is unaffiliated, please document the services provided and the service contract amounts. When did Clinton Power first engage Ecaliber, and why? Prior to that, did Clinton Power provide these services in-house? If so, why did Clinton Power decide to out source these operations?
- c) If Ecaliber is affiliated, please identify how the pricing of services is determined. Please confirm that the pricing of services complies with the Affiliate Relationships Code, and explain how compliance with ARC is achieved.
- ***The service provider is Ecaliber became affiliated with Clinton Power on January 1st 2010.***
 - ***Prior to that the entities had no affiliation and Clinton Power received request for quotations when they replaced their previous service provider in 2007.***
 - ***The pricing has remained unchanged from the level that was in place when there was an arm's length relationship between the two entities.***
 - ***Given that the contract was awarded to Ecaliber in an open a fair market between non affiliated companies and that contract has not changed since becoming affiliated compliance has thereby been achieved.***

Depreciation Expense

34. Ref: E4/T2/S5 – Depreciation Expense

Please update E4/T2/S5 to show 2009 actual depreciation expense and to remove the bucket truck from 2010 if the bucket truck will not be in-service in the 2010 test year.

- ***The following table shows 2009 actual expense and removes the bucket truck, however the bucket truck could potentially be in service in 2010.***

DEPRECIATION, AMORTIZATION AND DEPLETION	2009 Actual (\$'s)	Depreciation (\$'s)	2010 Test (\$'s)	Depreciation (\$'s)
Land and Buildings	\$0.00	\$0.00	\$0.00	\$0.00
TS Primary Above 50	\$0.00	\$0.00	\$0.00	\$0.00
DS	\$197,857.50	\$6,595.00	\$197,857.50	\$6,595.00
Poles and Wires	\$1,113,089.23	\$41,827.00	\$1,288,108.45	\$47,290.02
Line Transformers	\$149,739.59	\$5,927.00	\$208,239.59	\$6,911.03
Services and Meters	\$250,493.64	\$9,297.00	\$294,673.54	\$10,852.18
General Plant	\$0.00	\$0.00	\$0.00	\$0.00
IT Assets	\$12,159.61	\$0.00	\$12,159.61	\$0.00
Equipment	\$48,693.68	\$7,243.00	\$98,693.68	\$9,997.03
Other Distribution Assets	-\$49,582.05	-\$1,053.00	-\$49,582.05	-\$1,053.00
GROSS ASSET TOTAL	\$1,722,451.20	\$69,836.00	\$2,050,150.32	\$80,592.27

Loss Factors

35. Ref: E4/T2/S6 and E4/T2/S7 – Loss Factors

- a) Appendix 2-Q of the Board's filing requirements for Distribution and Transmission Applications requests information pertaining to the determination of loss factors.

Please provide the values for A1 and A2 as defined in the Filing Requirements.

- ***This data was not available at the time of filing this response.***

- b) In order to enable selection of the correct SFLF, please clarify whether Clinton Power is:
- Directly connected to the IESO controlled grid, or
 - Fully embedded in the Hydro One Networks Inc. (HONI) distribution system, or
 - Partially embedded in the HONI distribution system.
 - ***Clinton Power is fully embedded in the HONI distribution system.***
- c) Using the answer provided in the previous question and in light of the information provided below, please explain the reason for proposing a SFLF of 1.006 (i.e. losses of 0.6%, 1st reference) that is different from the industry standard.

- Directly connected, typically losses are 0.45% comprising losses in the transformer at the grid interface
 - Fully embedded, typically losses are 3.4% comprising losses of 0.6% in the transformer at the grid interface and losses of 2.78% within the HONI distribution system
 - Partially embedded, typically losses are a weighted average of the above.
 - ***Clinton Power will update its loss factor calculation to include the fully embedded SFLF of 3.4%.***
- d) Please provide an explanation or rationale for proposing an average DLF of 1.0554 (years 2007, 2008, and 2009) rather than a lower factor such as the actual DLF for 2009 of 1.0548.
- ***West Perth has averaged the years as this has historically been the practice in creating loss factors in prior rate procedures.***
Given the immaterial difference between the two calculations Clinton Power would accept the actual DLF for 2009 of 1.0548.
- e) Please describe any steps that are contemplated to decrease the loss factor during the test year (2010) and/or during a longer planning period.
- ***The continuation of Clinton Power's capital planning that is focusing on the conversion to 27.6 kW and the longer term focus of removal of the vintage substation will yield great benefits towards decreasing the loss factor.***

Taxes/PILs

36. Ref: E4/T3/S3 – CCA

- a) For 2010, under Class 10.1 – Certain Automobiles, Clinton Power shows additions of \$285,000. Please confirm if these additions correspond to the pick-up truck of \$45,000 and \$240,000 for the bucket truck as documented under E2/T2/S3 and E2/T3/S1.
- ***Confirmed.***
- b) If the bucket truck will not be delivered until 2011, as documented in E2/T3/S1, please explain how Clinton Power can claim CCA for the 2010 fiscal year.
- ***If the bucket truck is not in service until 2011 Clinton Power can not claim the CCA.***
- c) As appropriate, please update E4/T3/S3 to omit the \$240,000 for the bucket truck.

- ***The CCA table is updated and included electronically as CPC Interrogatory Responses Excel Tables.xls.***

37. Ref: E4/T3/S3 – Tax Schedules

- a) Please provide copies of Clinton Power's 2009 Tax Return including all schedules (both Ontario and Federal Returns)
 - ***As the financial statements are in the final stages of completion the tax returns have not yet been prepared.***
- b) Please provide Schedule 4 (Corporation Loss Continuity and Application) of Clinton Power's tax return for years 2001 to 2007.
 - ***Clinton is in the process of recovering this information from the former management and will provide it as soon as it is received.***
- c) Please provide the Notice of Assessment, and Notice of Re-assessment (if applicable) for years 2001 to 2009.
 - ***Clinton is in the process of recovering this information from the former management and will provide it as soon as it is received.***

Exhibit 5 – Cost of Capital

38. Ref: E5/T1/S1 – Capital Structure

Clinton Power states:

Clinton Power has a deemed current capital structure of 50% debt, 50% equity, as approved by the Ontario Energy Board and a return on equity of 9.00%. Clinton Power is requesting Board approval of a deemed capital structure of 60% debt, 40% equity including an equity return of 9.85%.

- a) Please confirm that Clinton Power had distribution rates approved under the 2nd Generation Incentive Regulation Mechanism rate adjustment for 2008, under Board File No. EB-2007-0904 and for 2009, under Board File No. EB-2008-0167.
 - ***These applications are confirmed.***
- b) Please confirm that the adjusted rates for 2008 and 2009 included adjustments for the K-factor to transition Clinton Power from the 50:50 deemed capital structure towards the common deemed capital structure.
 - ***The K-factor adjustments were completed.***
- c) If the responses to a) and b) are in the affirmative, please explain why Clinton Power states that its current deemed capital structure is 50:50 and not 56.7% debt and 43.3% equity.

- ***Clinton Power referenced the old 50/50 debt equity structure in error and should have referenced the above mentioned 56.7% to 43.3%.***

39. Ref: E5/T1/S1 – Cost of Capital Parameters

Clinton Power states that it is requesting a return on equity (“ROE”), deemed short-term debt rate and deemed long-term term debt rate of 9.85%, 2.07%, and 5.87% for its 2010 rates.

The percentages are taken from the Board’s letter of February 24, 2010, applying data for January 2010 per the methodology in the Board’s 2009 Cost of Capital Report, for rates effective May 1, 2010. The methodology in the 2009 Cost of Capital Report states that the allowed cost of capital parameters will be based on information three months prior to the effective date for the rates.

If the Board were to approve an effective date different than July 1, 2010 as applied for, please confirm whether Clinton Power believes that the ROE, deemed short-term debt rate and deemed long-term term debt rate should be updated using economic data from the Bank of Canada, *Consensus Forecasts*, and Bloomberg LLP three months prior to the effective data, per the methodology documented in Appendix B, C, and D of the 2009 Cost of Capital Report.

- ***Clinton Power agrees that the ROE should be updated to reflect data from the three months prior to the effective date of the application.***

40. Ref: E5/T1/S1 and E5/T1/S2 – Capitalization

Under “Cost of Debt” of E5/T1/S1, Clinton Power states:

Clinton Power’s debt is held by related 3rd parties and is therefore subject to the deemed return rates as summarized below.

	Debt Structure	Return %
Long Term Debt	56%	5.87%
Short Term Debt	4%	2.07%
Weighted Average	60%	5.62%

Clinton Power is aware that the deemed debt structure it is proposing in this application is slightly different than its actual debt equity structure of 64/36 and is working to ensure that its actual and deemed structure are aligned in the future.

Under E5/T1/S2, Clinton Power documents a capitalization structure of 61.22% debt and 38.78% for the 2009 Bridge Year and a capitalization structure of 77.82% and 44.04% for the 2010 Test Year.

- a) The 2010 Test Year capitalization in E5/T1/S2 adds up to more than 100%. Please reconcile.
- ***The 2010 Test Year capitalization was incorrectly referenced and should be as per the following table***

2010 Test Elements	\$ Million	Ratio (%)	Return (%)
Long-term debt	\$1,171,867.00	63.86%	5.60%
Unfunded short-term debt		0.00%	
Preference shares		0.00%	
Common equity	\$663,223.25	36.14%	9.85%
Total	\$1,835,090.25		

- b) Please reconcile the capitalization structures shown in E5/T1/S2 versus Clinton Power's statement in E5/T1/S1 that its actual capital structure is 64/36.
- ***Reconciled above.***
- c) Please explain what is the "Cost Rate" shown in E5/T1/S2.
- ***The cost rate is meant to reflect what was actually paid in each time period.***
- d) Please redo E5/T1/S2 showing Clinton Power's capital structure and weighted average cost of capital for each of:
- 2006 Board-approved;
 - 2006 Actual;
 - 2007 Actual;
 - 2008 Actual;
 - 2009 Bridge Year;
 - 2009 Actual; and
 - 2010 Test Year.

Please display the above information in the following format, Schedule 2-N of Chapter 2 of Filing Requirements for Transmission and Distribution Applications, issued June 29, 2010. Please file the tables in working Microsoft Excel format using the Excel template available on the Board's website at

http://www.oeb.gov.on.ca/OEB/Documents/Regulatory/filing_req_dist_trans_chapter2_Appendices_XLS.xls.

- ***Provided electronically as CPC Interrogatory Responses Excel Tables.xls.***
- e) Please explain year-over-year changes in the debt and equity capital amounts, both in dollars and percentage.

- ***The year over year changes in the debt and equity capital amounts in both dollars and percentage are due to the changes in actual financial position being applied to the changes in the deemed debt equity split percentages.***

41. Ref: E5/T1/S1 and E5/T1/S2 – Long-Term Debt

Under “Cost of Debt” of E5/T1/S1, Clinton Power states:

Clinton Power’s debt is held by related 3rd parties and is therefore subject to the deemed return rates as summarized below.

	Debt Structure	Return %
Long Term Debt	56%	5.87%
Short Term Debt	4%	2.07%
Weighted Average	60%	5.62%

- Please explain what is meant by “related 3rd parties”.
 - ***Clinton Power Corp’s debt is held by its shareholder the Town of Clinton.***
- Please file copies of Clinton Power’s executed debt instruments.
 - ***Included in the copies of the MADD applications filed with the interveners interrogatory responses.***
- Please identify if Clinton Power expects to incur new debt in the 2010 Test Year.
 - ***Clinton Power expects to review its debt situation and incur new debt to move towards its deemed 60/40 debt equity split.***
- Please provide a table documenting Clinton Power’s long-term debt for each of:
 - 2006 Board-approved;
 - 2006 Actual;
 - 2007 Actual;
 - 2008 Actual;
 - 2009 Bridge Year;
 - 2009 Actual; and
 - 2010 Test Year.

For each instrument, show the principal, start date and maturity date, debt rate, interest expense in the year, and any transaction charges incurred.

- ***There is only one instrument currently with no transaction charges incurred for the promissory note.***
- ***The details of the start date and maturity date are included in the copies of the debt instruments.***

- e) Please explain in detail what debt rate should apply to each of Clinton Power's existing and forecasted debt instruments, in accordance with the guidelines documented in section 4.4.1 of the 2009 Cost of Capital Report. If Clinton Power is proposing treatment deviating from the guidelines, please explain and support Clinton Power's proposed treatment.
- ***5.87% should apply to Clinton's Long Term debt and 2.07% should apply to Clinton's short term debt based on the Board's letter of February 24th, 2010 regarding the Cost of Capital Parameter Updates for 2010 Cost of Service Applications.***
 - ***However, should the Board determine that the change in effective date warrants a review of these rates then West Perth would need to update its debt rates based on those findings.***

Exhibit 6 – Revenue Sufficiency/Deficiency

42. Ref: E6/T1/S1 – Revenue Sufficiency/Deficiency

In E6/T1/S1, Clinton Power states that it has a distribution revenue requirement of \$974,621.77, while, in E6/T1/S2, Clinton Power shows a revenue requirement recoverable from distribution rates of \$971,735 (\$429,905 + \$541,830). Please reconcile the difference.

- ***The revenue requirement recoverable from distribution rates referenced in E6/T1/S2 is the correct amount. The other reference inadvertently utilized the 2009 revenue offset of \$35,810 instead of the 2010 figure of \$38,697 which is the exact difference of \$2,887 noted above.***

43. Ref: E7/T1/S1 - Cost Allocation Methodology

Given its inability to receive its load profile from Hydro One, Clinton Power decided to use Atikokan Hydro's load profile as it was the best fit with Clinton Power in terms of customer mix.

- a) Please confirm that customer mix was the only factor taken into consideration when choosing a load profile.
- ***Customer mix was the major factor taken into consideration; this was coupled with the fact that the only data available to Clinton Power was Atikokan, Embrum and Erie Thames Powerlines. Erie Thames Powerlines was eliminated from consideration due to the large discrepancy between its customer classes and that of Clinton Power.***

While Embrum was eliminated due to the large differences in customer mix.

- b) Please comment on whether factors such as weather profile and appliance saturation were considered when selecting Atikokan's load profile in place of Clinton Power's own profile.
- ***Weather profile and appliance saturation were not considered when selecting Atikokan's load profile in place of Clinton Power's own since Clinton does not have its own load profile available since the historical data is not available for the correct timeframe.***
 - ***These factors were also not considered when compared with the other utilities' data that was available since the differences between Embrum and Erie Thames Powerlines were more overwhelming than the potential offsets of weather profile and appliance saturation.***

44. Ref: E7/T1/S1 - Cost Allocation Methodology

In order to test the validity of Clinton Power's cost allocation methodology,

- a) Please provide in live Excel format (i.e. not rolled-up format) an alternative run of the cost allocation model using the load profiles of either Erie Thames Power.
- ***Load data is provided electronically as Erie Thames Data for Clinton Cost Allocation.xls.***
 - ***Alternative run of Cost Allocation model provided electronically as Clinton 2010 Cost Allocation Model with ETPL Data.xls.***
- b) Please provide worksheets I8 and E2 from the cost allocation study submitted with the application and the alternative version submitted in response to part a), in a tabular format to enable a comparison of the two studies.
- ***Provided electronically as Cost Allocation Tab Comparison Clinton.xls.***

45. Ref: Sheet I3 – Cost Allocation Model

The revenue requirement used in the cost allocation model does not match the revenue requirement identified in the application.

	Sheet I3 of Cost Allocation Model	2010 Cost of Service Application	Source
Proposed Revenue Requirement	\$ 995,087	\$ 984,277	RRWF

- a) Please identify the correct revenue requirement.
 - ***The Cost of Service Application is correct.***
- b) It appears that Clinton Power has included the cost of the transformer ownership allowance in its revenue requirement. The cost allocation filing guidelines instruct applicants not to include this cost. Please provide a rational as to why this cost was included.
 - ***Clinton Power utilized the cost allocation model to update it with 2010 Test Year data and simply input the Transformer Ownership allowance in the box provided. If this entry is in error then it can be removed to calculate final rates based on the Board's decision.***
- c) Please update the model as necessary and submit it in live Excel format, ensuring that the revenue requirement does not include the transformer ownership allowance and that the revenue from each of the affected classes is calculated net of the transformer ownership allowance.
 - ***The model has been updated and is provided as Clinton 2010 Cost Allocation Model Ver 1 Interrogatories.xls.***

46. Ref: Sheet I3 – Cost Allocation Model

Please confirm that for purposes of the Cost Allocation Informational Filing:

- i. The Revenues are based on distribution rates (excluding the discounts for transformer ownership allowance)
 - ***Updated and confirmed.***
- ii. The Costs include the cost of the Transformer Ownership Allowance
 - ***Confirmed.***
- iii. The cost of the Transformer Ownership Allowance is allocated to all customer classes.
 - ***Confirmed.***

47. Ref: Sheet O1 – Cost Allocation Model

On Sheet O1, Total Revenues and Expenses equal \$569,236 and \$928,418 respectively. However, on page 4 of the revenue requirement

work form total revenues and expense are stated at \$1,010,432 and \$886,739 respectively.

- a) Please identify the correct amounts for total revenues and total expenses.
 - ***The updated Cost Allocation model has been corrected.***
- b) Please confirm whether the “Distribution Revenue” is calculated based on the proposed distribution rates and the forecast of billing quantities in the test year.
 - ***Confirmed in the updated model.***
- c) If the answer to (b) is negative, please recalculate the revenue to cost ratios based on the steps mentioned in (b) and file the model in live Excel format.
 - ***Filed as Clinton 2010 Cost Allocation Model Ver 1 Interrogatories.xls.***

48. Ref: Sheet I7.1 – Cost Allocation Model

- a) Please confirm that the number of meters for each class does not include smart meters.
 - ***Confirmed***
- b) Is the cost of the predecessors of smart meters included in the cost allocation study?
 - ***Yes.***

Exhibit 8 – Rate Design

49. 28. Ref: E8/T1/S1 – Rate Design

Clinton Power states:

Clinton Power is proposing increases to all of its classes fixed charges in order to move its fixed charges in line with that of West Perth Power with which its rates will be harmonized within the next 5 years. This adjustment also brings the fixed variable splits back towards the level they were at in its 2006 EDR application. During the interim years its distribution rates have slowly become heavily weighted on the variable portion of the bill.

- a) Currently Clinton Power and West Perth are affiliated but separately licensed and rate-regulated distributors. Does the intention to harmonize mean that West Perth and Clinton Power will amalgamate within the next five years, with such amalgamation being subject to Board approval under section 86 of the Ontario Energy Board Act?

- ***West Perth and Clinton do plan to amalgamate within the next five years and will seek Board approval to proceed.***
- b) If West Perth and Clinton Power are not expected to amalgamate, then what is the basis for harmonization of rates between West Perth and Clinton Power?
- ***Not applicable.***
- c) Harmonization of rates between two differently rated areas would normally result in rates that are somewhere between (i.e. weighted average) the current rates of the two areas. Please provide a further description of how Clinton Power and West Perth expect to propose the harmonization of rates, and the rationale for the chosen approach.
- ***The current application simply addresses a potential migration of the low fixed charge for Clinton Power towards a more reasonable industry standard fixed charge that is currently in place in West Perth. In turn no fixed charge increase is sought in West Perth.***
- d) Given that the price cap adjustment of the 2nd Generation or 3rd Generation IRM plans are applied consistently to both fixed monthly service charges (net of the Smart Meter Funding Adder) and the volumetric component, please explain Clinton Power's statement that: "During the interim years its distribution rates have slowly become heavily weighted on the variable portion of the bill."
- ***Prior to the 2006 EDR fixed charges were frozen and this began to push distribution revenue recovery towards the variable portion of the bill where they have remained due to the formulaic approach of the 2nd and 3rd generation IRM process.***

50. Ref: E8/T1/S1 – Rate Design

Please revise the table shown on page 1 of this exhibit showing the Smart Meter Funding Adder and the Low Voltage Rate Adder separate from the Monthly Service Charge.

Customer Class	Current Service Charge	Current Volumetric Rate		Proposed Service Charge	Proposed Volumetric Rate	
Residential	\$ 9.23	\$ 0.0114	kWh	\$ 13.61	\$ 0.0196	kWh
GS<50 kW	\$ 18.13	\$ 0.0110	kWh	\$ 21.35	\$ 0.0247	kWh
GS>50 kW	\$ 31.84	\$ 4.0198	kW	\$ 204.84	\$ 6.5177	kW
Street Lighting	\$ 0.12	\$ 0.5800	kW	\$ 0.52	\$ 52.7263	kW
Sentinel Lighting	\$ 0.21	\$ 1.0939	kW	\$ -	\$ 33.6288	kW
Unmetered Load	\$ 9.07	\$ 0.0110	kWh	\$ 0.27	\$ 0.0182	kWh

51. Ref: E8/T1/S1 – Rate Design

Board staff has compiled the following table to compare Clinton Power's current approved rates versus the proposed rates. For the existing rates, the Smart Meter Funding Adder of \$1.00 per month, for metered customer classes has been removed, although the LV recovery is still embedded in current rates but shown separately for proposed 2010 rates.

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	Unit	Existing 2009	Proposed 2010	\$	Change %
Residential					
Service Charge	monthly	\$ 9.23	\$ 13.61	\$ 4.3800	47.45%
Distribution Volumetric Rate	per kWh	\$ 0.0114	\$ 0.0195	\$ 0.0081	71.05%
Smart Meter Funding Adder	monthly	\$ 1.0000	\$ 1.0000	\$ -	0.00%
Low Voltage Rate	per kWh		\$ 0.0017	\$ 0.0017	
Regulatory Asset Recovery Rate Rider	per kWh		\$ 0.0024	\$ 0.0024	
Retail Transmission Rate – Network Service Rate	per kWh	\$ 0.0052	\$ 0.0045	\$ -0.0007	-13.46%
Retail Transmission Rate – Line and Transformation Connection Service Rate	per kWh	\$ 0.0050	\$ 0.0031	\$ -0.0019	-38.00%
Wholesale Market Service Rate	per kWh	\$ 0.0052	\$ 0.0052	\$ -	0.00%
Rural Rate Protection Charge	per kWh	\$ 0.0013	\$ 0.0013	\$ -	0.00%
Regulated Price Plan – Administration Charge	monthly	\$ 0.25	\$ 0.25	\$ -	0.00%
General Service Less Than 50 kW					
Service Charge	monthly	\$ 18.13	\$ 21.35	\$ 3.2200	17.76%
Distribution Volumetric Rate	per kWh	\$ 0.0110	\$ 0.0246	\$ 0.0136	123.64%
Smart Meter Funding Adder	monthly	\$ 1.0000	\$ 1.0000	\$ -	0.00%
Low Voltage Rate	per kWh		\$ 0.0014	\$ 0.0014	
Regulatory Asset Recovery Rate Rider	per kWh		\$ 0.0020	\$ 0.0020	
Retail Transmission Rate – Network Service Rate	per kWh	\$ 0.0047	\$ 0.0040	\$ -0.0007	-14.89%
Retail Transmission Rate – Line and Transformation Connection Service Rate	per kWh	\$ 0.0045	\$ 0.0028	\$ -0.0017	-37.78%
Wholesale Market Service Rate	per kWh	\$ 0.0052	\$ 0.0052	\$ -	0.00%
Rural Rate Protection Charge	per kWh	\$ 0.0013	\$ 0.0013	\$ -	0.00%
Regulated Price Plan – Administration Charge	monthly	\$ 0.25	\$ 0.25	\$ -	0.00%
General Service 50 to 4,999 kW					
Service Charge	monthly	\$ 31.84	\$ 204.84	\$ 173.0000	543.34%
Distribution Volumetric Rate	per kW	\$ 4.0198	\$ 6.6371	\$ 2.6173	65.11%
Smart Meter Funding Adder	monthly	\$ 1.0000	\$ 1.0000	\$ -	0.00%
Low Voltage Rate	per kW		\$ 0.6425	\$ 0.6425	
Regulatory Asset Recovery Rate Rider	per kW		\$ 0.3974	\$ 0.3974	
Retail Transmission Rate – Network Service Rate	per kW	\$ 1.9269	\$ 1.6543	\$ -0.2726	-14.15%
Retail Transmission Rate – Line and Transformation Connection Service Rate	per kW	\$ 1.7883	\$ 1.0988	\$ -0.6895	-38.56%
Wholesale Market Service Rate	per kWh	\$ 0.0052	\$ 0.0052	\$ -	0.00%
Rural Rate Protection Charge	per kWh	\$ 0.0013	\$ 0.0013	\$ -	0.00%
Regulated Price Plan – Administration Charge	monthly	\$ 0.25	\$ 0.25	\$ -	0.00%
Unmetered Scattered Load					
Service Charge (per connection)	monthly	\$ 9.07	\$ 0.27	\$ -8.8000	-97.02%
Distribution Volumetric Rate	per kWh	\$ 0.0110	\$ 0.0185	\$ 0.0075	68.18%
Low Voltage Rate	per kWh		\$ 0.0046	\$ 0.0046	
Regulatory Asset Recovery Rate Rider	per kWh		\$ 0.0031	\$ 0.0031	
Retail Transmission Rate – Network Service Rate	per kWh	\$ 0.0047	\$ 1.2476	\$ 1.2429	26444.68%
Retail Transmission Rate – Line and Transformation Connection Service Rate	per kWh	\$ 0.0045	\$ 0.8494	\$ 0.8449	18775.56%
Wholesale Market Service Rate	per kWh	\$ 0.0052	\$ 0.0052	\$ -	0.00%
Rural Rate Protection Charge	per kWh	\$ 0.0013	\$ 0.0013	\$ -	0.00%
Regulated Price Plan – Administration Charge (if applicable)	monthly	\$ 0.25	\$ 0.25	\$ -	0.00%
Sentinel Lighting					
Service Charge	monthly	\$ 0.21	\$ -	\$ -0.2100	-100.00%
Distribution Volumetric Rate	per kW	\$ 1.0939	\$ 34.1200	\$ 33.0261	3019.12%
Low Voltage Rate	per kW		\$ 0.8137	\$ 0.8137	
Regulatory Asset Recovery Rate Rider	per kW		\$ 2.4732	\$ 2.4732	
Retail Transmission Rate – Network Service Rate	per kW	\$ 1.4607	\$ 1.2540	\$ -0.2067	-14.15%
Retail Transmission Rate – Line and Transformation Connection Service Rate	per kW	\$ 1.4113	\$ 0.8671	\$ -0.5442	-38.56%
Wholesale Market Service Rate	per kWh	\$ 0.0052	\$ 0.0052	\$ -	0.00%
Rural Rate Protection Charge	per kWh	\$ 0.0013	\$ 0.0013	\$ -	0.00%
Regulated Price Plan – Administration Charge (if applicable)	monthly	\$ 0.25	\$ 0.25	\$ -	0.00%
Streetlighting					
Service Charge	monthly	\$ 0.12	\$ 0.52	\$ 0.4000	333.33%
Distribution Volumetric Rate	per kW	\$ 0.5800	\$ 53.5658	\$ 52.9858	9135.48%
Low Voltage Rate	per kW		\$ 0.4725	\$ 0.4725	
Regulatory Asset Recovery Rate Rider	per kW		\$ 0.9357	\$ 0.9357	
Retail Transmission Rate – Network Service Rate	per kW	\$ 1.4532	\$ 0.4035	\$ -1.0497	-72.23%
Retail Transmission Rate – Line and Transformation Connection Service Rate	per kW	\$ 1.3824	\$ 0.2765	\$ -1.1059	-80.00%
Wholesale Market Service Rate	per kWh	\$ 0.0052	\$ 0.0052	\$ -	0.00%
Rural Rate Protection Charge	per kWh	\$ 0.0013	\$ 0.0013	\$ -	0.00%
Regulated Price Plan – Administration Charge (if applicable)	monthly	\$ 0.25	\$ 0.25	\$ -	0.00%

- a) Please confirm or correct this table.
- ***It is confirmed to be correct as per the filing of the application, however the Unmetered Load section RTSR's needs to be updated due to a cell reference error and an update has been provided in the next question.***
- b) Please explain the Retail Transmission Service Rates for the Unmetered Scattered Load class.
- ***The Proposed Rate Schedule referenced Unmetered class RTSR's incorrectly.***
 - ***The rate schedule is updated here.***

Proposed Rate Schedule

Clinton Power Corp.
Tariff of Rates and Charges
Effective May 1st, 2010
Implementation 30 Days from time of decision

***This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors***

Residential	UOM	2010
Service Charge	\$	\$13.61
Smart Meter Fixed Charge	\$	\$1.0000
Distribution Volumetric Rate	\$/kWh	\$0.0194
Low Voltage Rate	\$/kWh	\$0.0017
Regulatory Asset Recovery two years- Expires May 1st, 2012	\$/kWh	\$0.0024
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0045
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0031
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
GS<50 kW		
Service Charge	\$	\$21.35
Smart Meter Fixed Charge	\$	\$1.0000
Distribution Volumetric Rate	\$/kWh	\$0.0245
Low Voltage Rate	\$/kWh	\$0.0014
Regulatory Asset Recovery two years- Expires May 1st, 2012	\$/kWh	\$0.0020
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0040
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0028
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
GS>50 to 4999 kW		
Service Charge	\$	\$204.84
Smart Meter Fixed Charge	\$	\$1.0000
Distribution Volumetric Rate	\$/kW	\$6.6147
Low Voltage Rate	\$/kW	\$0.6425
Regulatory Asset Recovery two years- Expires May 1st, 2012	\$/kW	\$0.3974
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.6543
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.0988
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
Street Lighting		
Service Charge	\$	\$0.52
Distribution Volumetric Rate	\$/kW	\$53.3941
Low Voltage Rate	\$/kW	\$0.4725
Regulatory Asset Recovery two years- Expires May 1st, 2012	\$/kW	\$0.9357
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.2476
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$0.8494
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

Sentinel Lighting

Service Charge	\$	\$0.00
Distribution Volumetric Rate	\$/kW	\$34.0189
Low Voltage Rate	\$/kW	\$0.8137
Regulatory Asset Recovery two years- Expires May 1st, 2012	\$/kW	\$2.4732
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.2540
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$0.8671
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

Unmetered Scattered Load

Service Charge	\$	\$0.27
Distribution Volumetric Rate	\$/kWh	\$0.0184
Low Voltage Rate	\$/kWh	\$0.0046
Regulatory Asset Recovery two years- Expires May 1st, 2012	\$/kWh	\$0.0031
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.4035
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.2765
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

Specific Service Charges

Customer Administration

Arrears Certificate	\$	15.00
Returned Cheque Charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if any)	\$	30.00

Non-Payment of Account

Late Payment - Per month	%	1.50
Late Payment - Per annum	%	19.56
Collection of account charge-no disconnection	\$	30.00
Disconnect/Reconnect at meter-during regular hours	\$	65.00
Disconnect/Reconnect at meter-after regular hours	\$	185.00

Service call - customer owned equipment	\$	30.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35

Allowances

Transformer Allowance for Ownership - per kW of billing demand/month	\$	(0.60)
Primary Metering allowance for transformer losses - applied to measured demand %		(1.00)

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

Once time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly fixed charge, per retailer	\$	20.00
Monthly variable charge, per customer, per retailer	\$/cust	0.50
Distributor consolidated billing charge per customer per retailer	\$/cust	0.30
Retailer consolidated billing credit per customer per retailer	\$/cust	(0.30)
Service Transaction Requests (STR's)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	\$2.00

Loss Factors

Total Loss Factor -- Secondary Metered Customer < 5,000 kW		1.0617
Total Loss Factor -- Secondary Metered Customer > 5,000 kW	N/A	
Total Loss Factor -- Primary Metered Customer < 5,000 kW		1.0511
Total Loss Factor -- Primary Metered Customer >5,000 kW	N/A	

- c) Please provide a detailed explanation and support for the increase in the monthly service charge for the GS 50-4,999 kW class from \$31.84 to \$204.84.
- ***This change is directly related to harmonizing Clinton's fixed charge with West Perth's.***
- d) Please provide a detailed explanation and support for the proposed increases in the monthly service charge and volumetric rate for the streetlighting class.
- ***The increases in the streetlight class are directly related to the change in cost allocation of revenue requirement of \$58,245.39 from the 2006 EDR level of \$1,189.00.***
 - ***This is directly related to cost allocation and the movement of the streetlight class to the minimum level required.***
 - ***Prior to cost allocation Street Light class was contributing 2.04% of its required level, and these rates are based on the class meeting the minimum level of 70%.***
- e) Please provide a detailed explanation and support for the proposed increase in the sentinel lighting volumetric rate from \$1.0939/kW to \$34.1200/kW.
- ***The increases in the sentinel class are directly related to the change in cost allocation of revenue requirement of \$3,661.08 from the 2006 EDR level of \$118.00.***
 - ***This is directly related to cost allocation and the movement of the streetlight class to the minimum level required.***
 - ***Prior to cost allocation Street Light class was contributing 3.89% of its required level, and these rates are based on the class meeting the minimum level of 80%.***
- f) Has Clinton Power and/or West Perth done any benchmarking analysis to compare their distribution rates against those of similar utilities. One potential peer group would be smaller distributors in Southwestern Ontario, including West Coast Huron, Middlesex Power, etc.
- i. If yes, please provide any studies.
 - ii. If no, please explain why not.
- ***Clinton Power has not completed any benchmarking analysis to compare their distribution rates against those of similar utilities.***
 - ***Once Clinton Power found a work around for its cost allocation data for its cost of service filing it was under a significant time constraints to complete the application and as a result no such analysis was undertaken.***

52. Ref: E8/T1/S7 – Reconciliation of Proposed Rates to Revenue Requirement

Please provide a detailed table, in working Microsoft Excel format and showing all calculations, to provide the reconciliation of the proposed rates to the distribution revenue requirement, including LV recovery and recovery of the transformer ownership allowance.

- ***Provided electronically as CPC Interrogatory Responses Excel Tables.xls.***

53. Ref: E8/T1/S9 – Rate Impacts

- a) Please confirm whether the detailed rate impacts shown in this exhibit show the impact of taxes.

- ***Taxes are not included.***

- b) If taxes are omitted, please provide a variation of E8/T1/S9 showing the calculation of taxes. For both current approved and proposed rates, please show the impact using the Harmonized Sales Tax of 13%.

- ***Provided electronically as CPC Interrogatory Responses Excel Tables.xls.***

54. Ref: E8/T1/S9 – Rate Impacts and Rate Mitigation

Board staff has prepared the following table summarizing the range of total bill impacts shown in the referenced Exhibit.

	Range of Bill Impacts	
	Min	Max
Residential	14.40%	28.60%
GS < 50 kW	15.70%	15.90%
GS > 50 kW	9.30%	23.50%
Streetlighting		871.10%
Sentinel Lighting	387%	520.40%
Unmetered Scattered Load		-10.30%

- a) Please confirm or correct the numbers shown in the above table.
- ***The numbers are correct as filed.***
- b) Please confirm whether Clinton Power is proposing any form of rate mitigation to lessen the impact of the proposed increases to the revenue requirement.
- If Clinton Power is proposing rate mitigation, please provide the details of its proposal.
 - If Clinton Power is not proposing to mitigate the rate impacts on customers, please explain why.

- **Clinton has not proposed to mitigate the rate impacts at this time, but recognizes that mitigation may be a necessary step once a decision is made regarding its revenue requirement.**
- **Clinton did not propose mitigation initially due time constraints while completing its filing.**
- **Clinton Power would consider phasing in its rate increase over time to mitigate rate impacts to its customers.**

55. Ref: E8/T1/S5 and E8/T1/S10 – Retail Transmission Rates

	E8/T1/S5		E8/T1/S10	
	Network	Connection	Network	Connection
Residential	\$ 0.0045	\$ 0.0031	\$ 0.0045	\$ 0.0031
GS < 50 kW	\$ 0.0040	\$ 0.0028	\$ 0.0040	\$ 0.0028
GS > 50 kW	\$ 1.6543	\$ 1.0988	\$ 1.6543	\$ 1.0988
Streetlighting	\$ 0.4035	\$ 0.2765	\$ 1.2476	\$ 0.8494
Sentinel Lighting	\$ 1.2540	\$ 0.8671	\$ 1.2540	\$ 0.8671
Unmetered Scattered Load	\$ 1.2476	\$ 0.8494	\$ 0.4035	\$ 0.2765

- a) The proposed Retail Transmission rates for the Streetlighting and Sentinel Lighting classes appear to be transposed between the two exhibits. Please confirm which are the correct proposed Retail Transmission rates.

- **The following table is correct.**
-

	Units	Network	Connection
Residential	kWh	\$ 0.0045	\$ 0.0031
GS<50 kW	kWh	\$ 0.0040	\$ 0.0028
GS>50 - 4999 kW	kW	\$ 1.6543	\$ 1.0988
Street Lights	kW	\$ 1.2476	\$ 0.8494
Sentinel Lights	kW	\$ 1.2540	\$ 0.8671
Unmetered Scattered Load	kWh	\$ 0.4035	\$ 0.2765

- b) Clinton Power shows a -50.00% retail trend adjustment for the Retail Connection Services rate adjustment on page 1 of E8/T1/S10. However, on page 2, Clinton Power shows a -7.5% difference between Connection expenses and revenues from 2007 to 2009. Please provide a detailed explanation of the -50% adjustment.
- **Clinton Power chose a 50% reduction for Retail Trend analysis despite the 7.5% reduction shown on page 2 as it recognized that a change had occurred in its Connection expenses in 2009.**
 - **However, Clinton did not want to change reduce the Connection services rate by 273.2% from the trend analysis since the resulting rate would have been a credit to the customer which in turn would have simply compounded the**

Connection variance thereby delaying the payment of the RTSR by its consumers.

- **Clinton chose 50% as a significant reduction in an attempt to more accurately match connection expenses and revenues.**

c) Please confirm that the Network and Connection expenses and revenues for 2009 are audited amounts and for the full year from January 1 to December 31. If not, please update.

- **The amounts are subject to final sign off from the audit and are for January 1 to December 31 2009.**

d) On page 2, under Connection, Clinton Power shows expenses of \$36,912 in 2009 compared to \$137,757 in revenues from the Retail Transmission Service – Connection rate. In 2007 and 2008, Clinton Power shows Connection expenses of around \$190,000 per annum. Please explain the significant decrease in Connection expenses in 2009.

- **Current management is researching this significant change and at the time of response has not come to a conclusion as to the reason for the change.**

e) On page 2, under Network, Clinton Power shows the same expenses, \$157,204, and revenues, \$196,596, for each of 2007 and 2008. Please confirm that these are actuals for each of 2007 and 2008. If not, please update.

Network

	2007	2008	2009	Total
Expenses	157,024	135,065	131,934	424,024
Revenues	196,596	148,081	145,487	490,164
\$ Differend	(39,572)	(13,015)	(13,553)	(66,140)
% Differen	-25.2%	-9.6%	-10.3%	-15.6%

f) On page 1 of this exhibit, Clinton Power shows Wholesale Transmission rates of \$1.88 for 2008 and \$1.99 for 2009 for Network Services, and \$2.01 for 2008 and \$2.24 for 2009. Please confirm whether these rates are the Uniform Transmission rates or are the RTSRs of a host distributor servicing Clinton Power.

- **These are the rates of Clinton Power's host distributor.**

g) As necessary, please provide an update to E8/T1/S10 in accordance with section 2.9.2 of Chapter 2 of the Filing Requirements for Transmission and Distribution Applications, issued June 29, 2010, and with Guideline G-2008-0001, Electricity Distribution Retail Transmission Service Rates, updated July 8, 2010.

Network

	2008	2009	Total
Expenses	135,065	131,934	267,000
Revenues	148,081	145,487	293,568
\$ Difference	(13,015)	(13,553)	(26,568)
% Difference	-9.6%	-10.3%	-10.0%

Connection

	2008	2009	Total
Expenses	183,774	36,912	220,687
Revenues	138,981	137,757	276,738
\$ Difference	44,793	(100,844)	(56,051)
% Difference	24.4%	-273.2%	-25.4%

56. E8/T1/S11 – Low Voltage Rates

- a) On the top half of page 2 of this exhibit, Clinton Power documents the 2009 load at the two delivery points at which it is serviced by its host distributor. Clinton Power shows expenses of \$95,657.24. However, in the trend analysis following, Clinton Power shows 2009 expenses of \$88,396. Please reconcile and explain the difference between then numbers.
- The data for the tables at the top of page 2 was an attempt to derive the values that should be charged to Clinton for low voltage rates bases on consumption and demand.***
 - The data in the bottom half of page 2 relies on actual amounts billed to Clinton by its host distributor and should be the values relied upon.***
- b) In the top half of page 2 of the exhibit, Clinton Power documents a variable rate of \$2.66 and a fixed charge of \$188.00 for Delivery Point 1, and a variable rate of \$0.633 and a fixed charge of \$188.00 for Delivery Point 2.
- Clinton Power is in the process of reviewing its Hydro One invoices to determine the correct variable rates and validate the change in the low voltage rates charged.***
 - The results of this analysis will be filed once completed.***
- i. Please confirm which distributor is Clinton Power's host distributor.
- Hydro One is Clinton's host distributor.***
- ii. Please explain how Clinton Power is classified and charged for LV services by its host distributor.

- iii. Please confirm that the rates charged to Clinton Power for LV services did not change in 2009 (i.e. was there a change effective May 1).
- iv. Please identify if the rates charged to Clinton Power for LV services have changed for 2010. If so, please provide the updated rates.
- c) In the trend analysis shown on page 2 of this exhibit, Clinton Power documents expenses of \$164,357 for each of 2007 and 2008, and which vary from the \$88,396 (or \$95,657) documented for 2009.
 - i. Please confirm that the \$164,357 shown for each of 2007 and 2008 is a historical actual. If not, please update with the historical actual.

Low Voltage

	2007	2008	2009	Total
Expenses	164,357	145,417	88,396	398,170
Revenues	38,415	48,408	41,312	128,135
\$ Difference	125,942	97,009	47,084	270,034
% Difference	76.6%	66.7%	53.3%	67.8%

- ii. Please explain why the LV expenses for 2009 are significantly below the 2007 and 2008 LV expenses.
 - ***Current management is in the process of determining the reason for the difference.***
- d) Clinton Power documents LV revenues of \$38,415 for 2007, \$48,408 for 2008 and \$41,312 for 2009. Please explain and provide detailed calculations showing the derivation of LV revenues for each of these years.
 - ***Clinton Power utilized a stat code with an associated low voltage rate to track low voltage revenues in each year.***
 - ***These are actual billed amounts and not a derivation.***
- e) As necessary, please provide an update to E8/T1/S11 in accordance with section 2.9.3 of Chapter 2 of the Filing Requirements for Transmission and Distribution Applications, issued June 29, 2010.

Exhibit 9 – Deferral and Variance Accounts

57. Ref: E9/T1/S2 – Deferral and Variance Account Disposition

On page 2 of this exhibit, Clinton Power states:

Clinton Power would prefer to have the rate rider spread over the two year period, rather than the one year recommended in EDDVAR. As noted above, these balances represent 4 years of accumulated balances, so we would prefer to return to customers over a two year period at minimum. The RSVA balances in particular are very large and in the interest of mitigating rate impact we recommend returning to the customers over a four year period.

- a) Please confirm that the net deferral and variance ("D/V") account balance for which Clinton Power is seeking approval is a recovery from customers and not a refund to customers, as indicated in the above quote.
- **Confirmed**
- b) Please confirm that Clinton Power is proposing a two-year period for recovery of the net D/V account balance, rather than four years as indicated in the above quote.
- **Confirmed.**
- c) The amounts shown in E9/T1/S2/page 4 under the table labelled "Accounts Requested for Disposition" do not appear to match with the amounts documented in the Deferral and Variance Account Continuity Schedule shown in the exhibit also labelled as E9/T1/S3, pages 2-4. As one example, the December 31, 2008 principal balance for Account 1550 is documented as \$349,978.31 in the table labelled "Accounts Requested for Disposition" but as \$247,649 in the Deferral and Variance Account Continuity Schedule. Other inconsistencies are apparent for the accounts for which Clinton Power is seeking disposition.
- **Clinton Power is in the process of updating its continuity schedules and will reconcile the differences once it is complete.**
- i. Please reconcile the table shown in Exhibit 9 and confirm the Deferral and Variance Account balances for which Clinton Power is proposing disposition.
- ii. Please confirm that the December 31, 2008 account balances for the deferral and variance accounts have been audited.
- d) Please provide, in working Microsoft Excel format, a continuity schedule of Clinton Power's D/V account balances from January 1, 2005 to December 31, 2009, in accordance with section 2.10.1 of Chapter 2 of the Filing Requirements for Transmission and Distribution Applications, issued June 29, 2010. In particular, please separately show the continuity of Account 1588 excluding the Global Adjustment sub-account, and Account 1588 Global Adjustment sub-account separately. A blank copy of the Microsoft Excel spreadsheet is available on the Board's website at http://www.oeb.gov.on.ca/OEB/Documents/Regulatory/Continuity_Schedule_EDDVAR.XLS.
- **Clinton Power is in the process of updating this schedule and will file it upon its completion.**

58. E9/T1/S2 – Account 1588 Global Adjustment

Clinton Power is proposing disposal of the December 31, 2008 balance, plus carrying charges to April 30, 2010 for the Account 1588 Global Adjustment sub-account. The total amount documented is a credit of \$21,721.54. Clinton Power

has proposed disposition of this balance in one rate rider, with the amount allocated between customer classes based on non-RPP kWh for each class.

The Global Adjustment sub-account variance is attributable to non-RPP customers alone. In recent Board decisions for 2010 distribution rates, the Board has found it preferable that the Account 1588 Global Adjustment sub-account be collected from or returned to non-RPP customers only, due to a specific rate rider applicable only to non-RPP customers in each class. This preference is conditional upon, in part, whether the distributor's computer systems, particularly for billing and collection, can handle more than one rate rider, and a rate rider that is applicable only to identifiable (i.e. non-RPP customers) within each customer class.

- a) Please confirm whether Clinton Power's current billing and CIS systems can handle more than one rate rider per customer class and that a rate rider can be applied to specific (i.e. non-RPP customers only) customers within each customer class.
 - **Confirmed.**
- b) Please indicate, with reasons, whether Clinton Power believes that it would be more appropriate to refund the Account 1588 Global Adjustment sub-account balance only to non-RPP customers.
 - **Clinton Power believes that it would be more appropriate to refund the account 1588 Global Adjustment sub-account balances only to non-RPP customers because they are the group of customers that built up the credit in this account and that to refund the amount to all customers would be providing RPP customers with a refund that they did not earn.**
- c) If the response to b) is in the affirmative, please provide a table, similar to that shown on E9/T1/S3/page 5 under Method of Disposition showing proposed disposition rate riders, for each customer class, separately for: i) disposition of deferral/variance account balances excluding Account 1588 Global Adjustment sub-account; and ii) Account 1588 Global Adjustment sub-account.

Account Description	Account #	Allocator	Residential	GS<50 kW	GS>50 to 4,999 kW	USL	Sentinel	Street	Total
RSVA - Low Voltage Variance Account	1550	kWh	\$ 145,153.01	\$ 66,178.23	\$ 145,720.97	\$ 746.11	\$ 460.07	\$ 4,383.64	\$ 362,642.04
	1508	kWh	\$ 3,941.01	\$ 1,796.79	\$ 3,956.43	\$ 20.26	\$ 12.49	\$ 119.02	\$ 9,846.00
	1590	kWh	\$ 19,026.55	\$ 8,674.59	\$ 19,101.00	\$ 97.80	\$ 60.31	\$ 574.60	\$ 47,534.86
RSVA - Wholesale Market Service Charge	1580	kWh	\$ (40,778.15)	\$ (18,590.68)	\$ (40,935.70)	\$ (209.80)	\$ (129.24)	\$ (1,231.45)	\$ (101,872.80)
RSVA - One-time Wholesale Market Service	1582	kWh	\$ 1,377.10	\$ 627.85	\$ 1,382.49	\$ 7.08	\$ 4.36	\$ 41.59	\$ 3,440.46
RSVA - Retail Transmission Network Charge	1584	kWh	\$ (8,319.25)	\$ (3,792.92)	\$ (8,351.80)	\$ (42.76)	\$ (26.37)	\$ (251.24)	\$ (20,784.34)
RSVA - Retail Transmission Connection Charge	1586	kWh	\$ (192,113.34)	\$ (87,588.40)	\$ (192,865.04)	\$ (987.50)	\$ (608.91)	\$ (5,801.85)	\$ (479,965.05)
RSVA - Power	1588	kWh	\$ 176,259.38	\$ 80,360.25	\$ 176,949.05	\$ 906.01	\$ 558.66	\$ 5,323.06	\$ 440,356.41
RSVA - Power Global Adjustment	1588 GA	non RPP kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total to be Recovered			\$ 104,548.32	\$ 47,665.72	\$ 104,957.40	\$ 537.40	\$ 331.37	\$ 3,157.38	\$ 261,197.58

kWh	11,819,820	5,388,897	11,866,069	60,756	37,464	356,960	29,529,966
Allocator	40.03%	18.25%	40.18%	0.21%	0.13%	1.21%	100.00%
non RPP kWh	8,606,322	3,948,783	11,135,336	47,609	29,036	249,668	24,016,755
Allocator	35.83%	16.44%	46.36%	0.20%	0.12%	1.04%	100.00%

Number of Years for Recovery	2	\$ 52,274.16	\$ 23,832.86	\$ 52,478.70	\$ 268.70	\$ 165.69	\$ 1,578.69	\$ 130,600.79
Variable Billing								
Determinant		15,569,208	8,245,459	90,363	60,756	47	1,196	
Final Rate		\$ 0.0034	\$ 0.0029	\$ 0.5808	\$ 0.0044	\$ 3.5278	\$ 1.3201	

59. Ref: Exhibit 9/Tab 1/Schedule 2: Description of Deferral and Variance Accounts, Accounts Proposed for Disposition, and Method of Disposition

Account 1508 – Sub-accounts OEB Cost Assessments and Pension Contributions. Clinton Power states that “This account will come to an end with its proposed disposition”. However, when calculating the rate rider under sections Accounts Proposed for Disposition, and Method of Disposition, Clinton Power has not used the balance in this account for allocating to customer classes or calculating the rate rider.

Account 1590 – Clinton Power states that a residual balance of \$42,229 remains in this account after the removal of the rate rider effective May 1, 2008.

- a) Please explain why Clinton Power is not seeking to disposition of account 1590, in light of the fact that the rate rider has ended.
 - ***Clinton Power did not seek disposition as it felt that the approval process was focused on the main RSVA accounts and did not anticipate dealing with the remainder in this proceeding.***
- b) Please recalculate the rate riders including disposition of the residual balance in accounts 1508 and 1590.

Account Description	Account #	Allocator	Residential	GS<50 kW	GS>50 to 4,999 kW	USL	Sentinel	Street	Total
RSVA - Low Voltage Variance Account	1550	kWh	\$ 145,153.01	\$ 66,178.23	\$ 145,720.97	\$ 746.11	\$ 460.07	\$ 4,383.64	\$ 362,642.04
RSVA - Cost Assessments	1508	kWh	\$ 3,941.01	\$ 1,796.79	\$ 3,956.43	\$ 20.26	\$ 12.49	\$ 119.02	\$ 9,846.00
RSVA - Regulatory Asset Recovery Account	1590	kWh	\$ 19,416.66	\$ 8,852.45	\$ 19,492.64	\$ 99.81	\$ 61.54	\$ 586.39	\$ 48,509.49
RSVA - Wholesale Market Service Charge	1580	kWh	\$ (40,776.15)	\$ (18,590.68)	\$ (40,935.70)	\$ (209.60)	\$ (129.24)	\$ (1,231.45)	\$ (101,872.80)
RSVA - One-time Wholesale Market Service	1582	kWh	\$ 1,377.10	\$ 627.85	\$ 1,382.49	\$ 7.08	\$ 4.36	\$ 41.59	\$ 3,440.46
RSVA - Retail Transmission Network Charge	1584	kWh	\$ (8,319.25)	\$ (3,792.92)	\$ (8,351.80)	\$ (42.76)	\$ (26.37)	\$ (251.24)	\$ (20,784.34)
RSVA - Retail Transmission Connection Charge	1586	kWh	\$ (192,113.34)	\$ (87,588.40)	\$ (192,865.04)	\$ (987.50)	\$ (608.91)	\$ (5,801.85)	\$ (479,965.05)
RSVA - Power	1588	kWh	\$ 176,259.38	\$ 80,360.25	\$ 176,949.05	\$ 906.01	\$ 558.66	\$ 5,323.06	\$ 440,356.41
RSVA - Power Global Adjustment	1588 GA	non RPP kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total to be Recovered			\$ 104,938.43	\$ 47,843.58	\$ 105,349.04	\$ 539.40	\$ 332.61	\$ 3,169.16	\$ 262,172.21

kWh	11,819,820	5,388,897	11,866,069	60,756	37,464	356,960	29,529,966
Allocator	40.03%	18.25%	40.18%	0.21%	0.13%	1.21%	100.00%
non RPP kWh	8,606,322	3,948,783	11,135,336	47,609	29,036	249,668	24,016,755
Allocator	35.83%	16.44%	46.36%	0.20%	0.12%	1.04%	100.00%

Number of Years for Recovery	2	\$ 52,469.22	\$ 23,921.79	\$ 52,674.52	\$ 269.70	\$ 166.30	\$ 1,584.58	\$ 131,088.11
Variable Billing								
Determinant		15,569,208	8,245,459	90,363	60,756	47	1,196	
Final Rate		\$ 0.0034	\$ 0.0029	\$ 0.5829	\$ 0.0044	\$ 3.5409	\$ 1.3250	

60. Ref: Exhibit 9/Tab 1/Schedule 3 – Accounts Requested for Disposition, and Method of Disposition, Description of Deferral and Variance Accounts

Account 1588 – Global Adjustment (GA)

- a) The balance in account 1588 – Clinton Power is showing a credit balance in its GA. This is not consistent with other distributors' balances. It also does not appear to be plausible, given that Clinton Power's evidence under the "Description of Deferral and Variance Accounts" section where the applicant states: "In the month of December 2008, the global adjustment charged on the IESO bill was \$13.37 per MWH. The rate charged to non-RPP consumers was \$3.90 per MWH". Such directional discrepancy resulted in large debit balances being accumulated in other distributors' GA account. Please review the transactions in Clinton Power's GA account and confirm that the transactions in this account have been recorded in accordance with the APH.

- ***The transactions in Clinton Power's GA account have been confirmed and have been calculated in accordance with the APH.***
- ***Clinton Power had a review of the account completed by an external auditor which confirmed the balances as at December 2008.***

- a) Please confirm that the GA principal balance proposed for disposition is based on the procedures identified by the APH. Please refer to the following web link regarding the regulatory accounting and reporting of account 1588 and its global adjustment sub-account.
<http://www.oeb.gov.on.ca/OEB/Industry/Rules+and+Requirements/Regulatory+Audit+and+Accounting/Webinar+-+Account+1588>

- ***Confirmed***

- b) Please provide an allocation of the December 31, 2008 balance of the GA sub-account (plus interest to April 30, 2010) based on the 2008 kWh for non-RPP customers.

	Non RPP Cons	Percentage	Allocation
RES	3,713,563.14	28.24%	-\$ 6,135.15
G<50	368,292.01	2.80%	-\$ 608.45
G>50	9,057,935.78	68.89%	-\$ 14,964.55
Sentinel	2,093.25	0.02%	-\$ 3.46
Unmetered	6,009.46	0.05%	-\$ 9.93
Streetlight	-	0.00%	\$ -
	13,147,893.64		-\$ 21,721.54

- c) Please calculate a separate rate rider for the recovery of the proposed GA balance using the allocated amounts and the 2010 non-RPP consumption data (kWh or kW as applicable) as the billing determinant.

	Non RPP Cons	Percentage	Allocation	2010 Non-RPP Cons	Rate
RES	3,713,563.14	28.24%	-\$ 6,135.15	3,429,912.71	-\$ 0.0018
G<50	368,292.01	2.80%	-\$ 608.45	1,656,825.97	-\$ 0.0004
G>50	9,057,935.78	68.89%	-\$ 14,964.55	5,476,571.09	-\$ 0.0027
Sentinel	2,093.25	0.02%	-\$ 3.46	10,563.49	-\$ 0.0003
Unmetered	6,009.46	0.05%	-\$ 9.93	18,874.40	-\$ 0.0005
Streetlight	-	0.00%	\$ -	81,903.79	\$ -
	13,147,893.64		-\$ 21,721.54	\$ 10,674,651.45	

- d) Please calculate a separate rate rider for the recovery of the proposed balance of subaccount Power – Global Adjustment of account 1588 using the amounts shown in 2010 and the 2010 non-RPP consumption data (kWh or kW as applicable) as the billing determinant. If Clinton Power does not have a forecast for 2010 non-RPP consumption data, please use 2008 actuals to determine this rate rider.
- **The following table is the same as above with the 2010 account balance as the amount refunded.**
 - **It is not clear what was being asked in this question, but it appears that the following data should satisfy this request.**

	Non RPP Cons	Percentage	Allocation	2010 Non-RPP Cons	Rate
RES	3,713,563.14	28.24%	-\$ 35,057.40	3,429,912.71	-\$ 0.0102
G<50	368,292.01	2.80%	-\$ 3,476.81	1,656,825.97	-\$ 0.0021
G>50	9,057,935.78	68.89%	-\$ 85,510.24	5,476,571.09	-\$ 0.0156
Sentinel	2,093.25	0.02%	-\$ 19.76	10,563.49	-\$ 0.0019
Unmetered	6,009.46	0.05%	-\$ 56.73	18,874.40	-\$ 0.0030
Streetlight	-	0.00%	\$ -	81,903.79	\$ -
	13,147,893.64		-\$ 124,120.95	\$ 10,674,651.45	

- e) If Clinton Power were to establish a separate rate rider to dispose of the balance of the Power (Global Adjustment) sub-account of account 1588, please provide Clinton Power's views as to whether this rate rider would be applicable to MUSH ("Municipalities, Universities, Schools and Hospitals") sector customers.
- **Clinton Power believes that this rate rider should not be billed to MUSH customers as these customers already paid the global adjustment as part of the RPP.**
- a) If the answer to f) is negative, does Clinton Power have the capability in its billing system to exclude MUSH sector customers to which the separate rate rider for the disposition of 1588 subaccount would apply?
- **Clinton Power does have the capability to bill in this manner.**

Smart Meters

61. E9/T1/S4 – Smart Meters

Clinton Power indicates that it intends to have smart meters deployed by May 1, 2011, with an estimated capital cost of \$325,000.

- a) Please indicate when Clinton Power started, or intends to start, deploying smart meters within its licensed service territory.
 - ***CPC has started deployment of smart meters.***
- b) Please provide further information on why Clinton Power does not expect to complete smart meter deployment by December 31, 2011.
 - ***CPC does expect to complete deployment of its smart meters by December 31st, 2011.***
 - ***The statement indicates that smart meters will be completely deployed by May 1st, 2011.***
- c) Please provide a completed copy of Appendix 2-R of the Filing Requirements for Transmission and Distribution Applications, issued June 29, 2010. This is the same as Appendix 2-S of the previous version of the filing requirements.

Year	Smart Meters Installed			Percentage of applicable customers converted (%)	Account 1555		Account 1556
	Residential	GS < 50 kW	Other ¹		Funding Adder Revenues Collected	Capital Expenditures	Operating Expenses
2006	0	0	0	0%			
2007	0	0	0	0%	\$5,227.32		
2008	0	0	0	0%	\$4,026.91		
2009	0	0	0	0%	\$13,802.51		
2010	1460	0	0	100%	\$13,554.13	\$325,000	
2011 (and beyond) (if required)							

- d) Please indicate if Clinton Power intends to incur smart meter costs beyond minimum functionality as defined in O.Reg. 425/06. If so, please provide further detail on the nature of “beyond minimum functionality” capabilities, and the expected costs.
- ***Clinton Power does not intend to incur smart meter costs beyond minimum functionality as defined in O Reg. 425/06.***
- e) How has or is Clinton Power accounting for the stranded costs of conventional meters replaced by smart meters?
- ***Currently Clinton Power has kept its stranded meter costs on the accounting books and is continuing to amortize them while awaiting further direction on their treatment.***

62. Harmonized Sales Tax

The PST and GST were harmonized effective July 1, 2010. Historically, unlike the GST, the PST was included as an OM&A expense and was also included in capital expenditures. Due to the harmonization of the PST and GST, regulated utilities may benefit from a reduction in OM&A expenses and capital expenditures on an actual basis.

- a) Please state whether or not Clinton Power has adjusted its Test Year revenue requirement to account for reductions to OM&A expense and capital expenditures that the applicant may realize due to the implementation of the HST effective July 1, 2010. If yes, please identify separately the amounts for OM&A and capital and provide an explanation of how each of those amounts was derived. If no, please identify the amounts in OM&A expense and capital expenditures for the Test Year that were previously subject to PST and are now subject to HST.
- ***Clinton Power has not adjusted its Test Year Revenue Requirement to account for OM&A and Capital expenditure reductions that may be realized due to the implementation of HST.***
- b) The Board's decision on most 2010 IRM applications established a deferral account and directed applicants to record the incremental input tax credits it receives on distribution revenue requirement items that were previously subject to PST and which become subject to HST. Tracking of these amounts would continue in the deferral account until the effective date of the applicant's next cost of service rate order. Please provide a detailed explanation of how Clinton Power is currently tracking these amounts.
- ***West Perth Power is beginning to track the difference between HST and PST on its material purchases.***

63. International Financial Reporting Standards (IFRS)

- a) Please confirm that the revenue requirement numbers for 2010 are based on CGAAP, and not IFRS accounting principles. If confirmed, please identify the fiscal year which the applicant will begin reporting its (audited) actual results on an IFRS basis. If not confirmed, please provide a detailed revenue requirement impact statement comparing CGAAP with IFRS.
- ***The 2010 Test Year revenue requirement numbers are based on CGAAP.***
- b) Please state whether or not Clinton Power has included an amount for IFRS transition costs in its Test Year revenue requirement. If yes, please identify the amount and provide a breakdown with a detailed explanation of each cost item. If no, is the applicant recording IFRS transition costs in the deferral account established by the Board in October 2009?
- ***Clinton Power has not included any costs for IFRS transition costs in the Test Year revenue requirement.***
 - ***Clinton Power will begin recording IFRS transition costs in the deferral account as they begin to incur them.***

64. Late Payment Penalty (LPP)

Please state whether or not Clinton Power has included an amount for recovery of late payment penalty litigation costs in its 2010 Test Year application. If yes, please identify the amount and explain how the applicant is proposing to recover this amount. If yes, please provide evidence supporting the amount allocated to the applicant (e.g. the settlement agreement).

- ***Clinton Power has not included an amount for recovery of late payment penalty litigation costs in its 2010 Test Year application.***

65. Low Income Energy Assistance Program (LEAP)

Please state whether or not Clinton Power has included an amount in its 2011 Test year revenue requirement for the LEAP emergency assistance program.

a) If yes, please identify the amount.

- ***Clinton Power has not included an amount in its revenue requirement for the LEAP emergency assistance program.***

b) If no, please provide the following calculation: 0.12% of the total distribution revenue proposed by Clinton Power for the 2010 Test Year.

- ***For Clinton Power 0.12% of its total distribution revenue for the 2010 Test Year would be \$1,169.55.***

c) Please state whether or not Clinton Power has included an amount in its 2010 Test year revenue requirement for any legacy program(s), such as Winter Warmth. If so, please identify the amount and provide a breakdown identifying the cost of each program along with a description of each program.

- ***Clinton Power did not include any amounts in its Test Year revenue requirement for any legacy LEAP programs.***