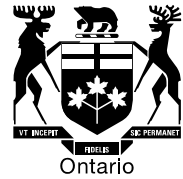


**Ontario Energy
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BY E-MAIL

September 17, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Walli:

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

Please find the attached Board staff interrogatories in the above proceeding related to the supplementary evidence filed by Toronto Hydro-Electric System Limited ("Toronto Hydro") on September 10, 2010. Please forward the following to Toronto Hydro and all other parties to this proceeding.

Sincerely,

Original Signed By

Martin Davies
Project Advisor, Applications & Regulatory Audit

Attachment

Board Staff Interrogatories
Application to the Ontario Energy Board for Recovery of Amounts Related to
Contact Voltage
Toronto Hydro-Electric System Limited (“THESL”)
EB-2010-0193
Supplementary Evidence September 10, 2010

1. Ref: p. 1

It is stated that:

“In addition, THESL corrects, by way of this supplementary evidence, an error in the identification of charitable donation and special event costs which are non-eligible for inclusion in controllable expenses. As a result controllable expenses are reduced by \$0.46 million and the amount requested for contact voltage cost recovery is correspondingly reduced from \$9.05 million to \$8.586 million. THESL regrets this error and any misunderstanding it may have caused.”

Please clarify whether or not the discovery of this error prior to the preparation of the audited financial statements would have had the effect of lowering operating expenses by this amount. If not, please state why not and what if any effect its discovery would have had on the audited financial statements.

2. Ref: p. 3

It is stated that:

“Residual contact voltage expenses were actual expenses incurred in account categories eligible for inclusion in controllable expenses and revenue requirement, but excluded by the Board from recoverable contact voltage expenses. For example, these costs included follow-on scanning costs. However, their exclusion from recoverable contact voltage costs does not preclude these costs from inclusion in controllable expenses.”

- a) Please state why THESL does not exclude all contact voltage costs including the residual contact voltage expenses referenced above in determining the 2009 Actual Controllable Expenses for purposes of comparing to the amount underpinning THESL’s 2009 base rates?
- b) Please comment on whether or not the inclusion of the residual contact voltage expenses in controllable expenses, as proposed by THESL, would result in THESL effectively recovering these expenses and, if not, why not.