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BY E-MAIL

October 5, 2010

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Board Staff Supplemental Interrogatories
2010 Electricity Distribution Rates
Ottawa River Power Corporation
Board File No. EB-2009-0165**

In accordance with Procedural Order No. 2, please find attached Board staff supplemental interrogatories in this proceeding. Please forward the attached to Ottawa River Power Corporation and the intervenor in the proceeding.

Sincerely,

Original Signed By

Suresh Advani
Advisor

Attachment

**Ottawa River Power Corporation
2010 Electricity Distribution Rates
EB-2009-0165
Board Staff Supplemental Interrogatories**

1. Filing Consistent Information

Ref: Applicant's response to Board staff interrogatory #1

In response to Board staff interrogatory #1, the Applicant filed an updated set of models that, among other things, provided updated estimates for Revenue Requirement and Total Bill Impacts.

- a) Please confirm that the updated values contained in the re-filed set of models are the values on which the Applicant is now relying and for which it requests Board approval.
- b) If, as a result of addressing Board staff and/or VECC supplemental interrogatories, the most recently filed evidence is not that on which the Applicant will rely *and this affects the rates requested*, please file one complete consistent set of models, worksheets, data, etc. covering all key aspects of the application, in a manner that reflects Board current policies, guidelines, etc

2. Revenue to Cost Ratios

Ref: Exhibit 7/1/2/p2

Please file a revised version of "Table 3: Proposed Changes to Revenue to Cost Ratios" using the most recently filed evidence.

Further please reconcile the revised ratios with:

- a) the Applicant's response to VECC interrogatory #11b, and
- b) "Revenue to Expenses %" in Row 70 in Sheet O1 of the most recently filed Cost Allocation model, i.e. excel file.

3. Proposed Rates

Ref: Applicant's response to Board staff interrogatory #5

Part of the Applicant's response to this interrogatory was a table titled "Residential Total Bill Impacts" which showed, for a range of "Monthly kWhs" and separately for "Summer" and "Winter", the dollar ("\$\$") and percentage ("%") decreases inherent in the Applicant's proposed rates. For example, at 800 Monthly kWhs and for Summer, the decrease is shown as \$10.83 and 12.0% which is the same decrease in the Applicant's pre-filed evidence and appears to

be different from the decrease provided in response to Board staff interrogatory #1.

Please update, as necessary, the Applicant's response to Board staff interrogatory #5 with data that is consistent with that on which the Applicant will now rely.

4. Other Revenues

Ref: Applicant's response to Board staff interrogatory #20

The Applicant's response to this interrogatory included the statement "Note the correct Revenue Offset amount was used to determine the revenue deficiency and the proposed base revenue requirement for 2010. Accordingly, no adjustment to the proposed distribution rates is required due to this error".

Please confirm that the revised Revenue Offset amount of \$367,986 that was provided in the Applicant's response to Board staff interrogatory #1, rather than the amount \$377,968 in the Applicant's pre-filed evidence, forms the basis to determine the revenue deficiency and the proposed base revenue requirement for 2010.

5. Employee Costs

Ref: Applicant's response to Board staff interrogatory #22

The Applicant's response to this interrogatory included the statement "The percentage increase in the management and non-union total compensation can also be explained by increased staff and *wage adjustments*". [Emphasis added.]

Please confirm whether or not the "wage adjustments" are consistent with an inflation rate of 3% for the labour component of O&M as provided in the Applicant's response to Board staff interrogatory #21b

6. Conditions of Service

Ref: Exhibit 8/4/3/p1

Occasionally rates and charges are contained in an applicant's Conditions of Service.

- a) Please identify any rates and charges that are included in the Applicant's Conditions of Service and provide an explanation for the nature of any costs being recovered.

- b) Please provide a schedule outlining the revenues recovered from these rates and charges from 2006 to 2009 and the revenues forecasted for the 2010 Test Year.
- c) Please explain whether in the Applicant's view, these rates and charges should be included on the Applicant's tariff sheet.