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October 6, 2010

VIA MAIL and E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: Vulnerable Energy Consumers Coalition (VECC)
EB-2009-0165
Ottawa River Power Corporation – 2010 Electricity Distribution Rate Application

Please find enclosed the interrogatories of the Vulnerable Energy Consumers Coalition in the above-noted proceeding.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.
cc: Ottawa River Power Corporation
Attention: Mr. Douglas Fee

OTTAWA RIVER POWER CORPORATION – 2010 RATE APPLICATION

(EB-2009-0165)

VECC'S INTERROGATORIES (ROUND #2)

(Note: Number continues from Round #1)

Question #15

Reference: OEB Staff #9

a) Please confirm whether the ½ year rule for depreciation was used for 2004 and therefore reflected in the cost of service application for 2006 rates.

b) If not, please re-do the fixed asset continuity schedules (Exhibit 2/Tab 3/Schedule 3, Attachment 1) assuming the ½ rule is adopted starting January 1, 2010.

Question #16

Reference: VECC #11 and OEB Staff #1

a) Please re-do the response to part VECC #11 (b) based on the corrected Cost Allocation model.

Question #17

Reference: VECC #12

a) Please provide examples of previous re-basing decisions for 2010 rates where the Board adopted the 2006 allocation as the starting point.

b) For any of these examples, did the use of the 2006 allocation result in the one or more of the customer classes experiencing an increase in revenues allocated (relative to what would have resulted from simply using the allocation factors based on revenues at current rates) when the proposal called for a decrease in the revenue to cost ratio for the class?

c) Please confirm whether or not Elenchus was the consultant used by each of the distributors referenced in response to part (a).

Question #18

Reference: VECC #13 (b)
Cost Allocation Study – Sheet O2

a) Please confirm that the anomalous results for the GS>50 class are result of Scenario 3 in Sheet O2 attributing negative values to the customer-related net book value for distribution plant allocated to the class as this in turn leads to negatives for the allocated interest, ROE and PILS.

b) Can Ottawa River explain what gives rise to the results noted in part (a) and comment on whether they are reasonable?

c) Does the anomalous allocation to GS>50 impact at all the allocation to the other customer classes and, therefore, the calculation of the applicable maximum service charge values? If not, why not?

Question #19

Reference: VECC #3 (a) and (b)

a) Was the line truck that was ordered in 2009 delivered in 2009? If not please indicate when Ottawa River expects to take delivery of the truck.

b) Please indicate the amounts associated with the line truck referred to in part a) above, that Ottawa River proposes to include in rate base in 2010 and 2011

Question #20

Reference: VECC #4 (g) and 4 (o) including Appendix B
Exhibit 2, Tab 4, Schedule 1, Table 1
Exhibit 2, Tab 4, Schedule 3, page 1

a) Please confirm that for each year, 2005-2009 inclusive, actual capital spending by Ottawa River was significantly less than the Board of Directors' approved capital budgets in each year.

b) Please provide Ottawa River's reasons for actual spending being significantly below approved capital budget in each year 2005-2009.

c) Please provide the most recent 2010 year to date figure with respect to Ottawa River's capital spending.

d) Please provide the year to date capital contributions received by Ottawa River in 2010.