



November 9, 2010

**BY COURIER AND RESS**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON  
M4P 1E4

Dear Ms. Walli,

**RE: Whitby Hydro Electric Corporation  
Application for Approval of 2010 Electricity Distribution Rates  
EB- 2009-0274**

As directed by the Board's Procedural Order No. 4, Whitby Hydro Electric Corporation has provided responses to Vulnerable Energy Consumers Coalition's (VECC) interrogatories (dated October 25, 2010) for this rate proceeding. Two paper copies and an electronic copy (CD) will follow via courier. A copy has also been filed electronically through the Board's RESS system.

Should you require any further information, please contact me directly.

Respectfully submitted,

*Original signed by*

Ramona Abi-Rashed  
Treasurer

Cc: Neil Mather (email)  
All Intervenors (email)

**(EB-2009-0274)**  
**VECC'S INTERROGATORIES (ROUND #3)**  
*(Note: Numbering Continues from Round #2)*

**Question #61**

**Reference: VECC TC #4**  
**Exhibit 2, page 154**

- a) If the tools and measurement equipment used by WHES are owned by WHES, what do the tools and measurement equipment recorded on Whitby Hydro's books represent and what are they used?

**Response:**

The 2010 Net Book Value for Whitby Hydro's Tools (USoA 1940) is \$1,716 and Measurement Equipment (USoA 1945) is \$8,363. These assets were purchased in 2005 for the third tranche CDM program.

**Question #62**

**Reference: JT 1.3**  
**SEC Supplementary IR #31**  
**Technical Conference Supplementary Information C1**

- a) Does the \$2,862k represent the entire rate base for WHES or, as requested, the rate base of the assets employed to serve Whitby Hydro (but excluding assets/portions of assets deemed to serve others)?

**Response:**

The \$2,862k represents the requested calculation for WHES rate base used to serve Whitby Hydro.

- b) Please provide further details regarding the 9.6% rate of return quoted in JT 1.3 for WHES. In particular, please indicate:
- What year is the value based on and is it actual or forecast?
  - Is it for all of WHES or just related to services provided to Whitby Hydro? If the former, how much of WHES's total revenue (i.e., %) was accounted for by services provided to Whitby Hydro?

- **Provide the supporting details underlying the calculation of the 9.6%, i.e., rate base, equity component, net income, etc**

**Response:**

The 15% was based on the actual 2005 after tax rate of return. Please see calculations below:

2005 Rate of Return	2005 Tax Rate	2005 After Tax Rate
9.88%	36.00%	15.44%
9.60%	36.00%	15.00%

The 9.88% yielded 15.44% and was rounded down to 15% resulting in a 9.6% rate of return. This return relates to services provided by WHES to Whitby Hydro.