



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. <http://www.piac.ca>

Michael Buonaguro
Counsel for VECC
(416) 767-1666

November 12, 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-2010-0074
Chatham-Kent Hydro Inc. – 2011 Distribution Rate Application

Please find enclosed the interrogatories of VECC in the above-noted proceeding.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

cc: Chatham-Kent Hydro Inc.
Attention: Mr. David Kenney

CHATHAM KENT HYDRO INC.
2011 IRM APPLICATION (EB-2010-0074)

VECC INTERROGATORIES

QUESTION #1

Reference: 2011 IRM Application, Manager's Summary, page 4 of 6

- a) Please provide a fuller explanation of the adjustments described in Footnote #1 to the Table. In doing so please explain fully the nature of the issue and indicate whether the adjustments were included in the May 10, 2010 and/or May 20, 2010 Draft Rate Orders filed with the Board and the associated RRWF. If not, please provide revised versions of the 2010 RRWF and Draft Rate Order Tariff Sheets and explain the nature/rationale for the changes.

QUESTION #2

Reference: Revenue to Cost Ratio Adjustment Work Form, Sheet B1.1

- a) Please provide a reference to the EB-2009-0261 evidence that supports the 22,920 billed kW value used for Stand-By.

QUESTION #3

Reference: Revenue to Cost Ratio Adjustment Work Form, Sheet C1.1
EB-2009-0261, Proposed Settlement Agreement (Filed March 2, 2010), pages 22 and 61

- a) Please provide a schedule that contrasts the 2011 revenue to cost ratios calculated per the Settlement Agreement with those set out in Sheet C1.1
- b) Please rationale for any discrepancies between the ratios as calculated per the Settlement Agreement and those proposed in the current Application.
- c) Neither the 2010 Rate Application nor the Settlement Agreement appear to include revenue/cost ratios for Stand-By. Please explain:
- The source/basis for the current year ratio of 100%
 - The rationale for the proposed 2011 value
 - Why Stand-By was separated out for purposes of the 2011 Application.
- d) Please provide a revised version of Sheet C1.1 where:

- Those classes whose current (2010) revenue to cost ratio is outside the Board's guidelines is adjusted for 2011 per the Settlement Agreement.
- If the adjustments result in an overall revenue shortfall, it is made up by increasing the ratios for the Residential and Intermediate with Self-Generation – such that for each percentage point increase to the Residential ratio there is a corresponding five percentage point increase to the Intermediate with Self-Generation ratio.
- If the adjustments result in an overall revenue surplus, it is accounted for by decreasing the ratios for GS<50 and Intermediate – such that for each percentage point reduction to GS<50 there is a corresponding 12 percentage point reduction in the ratio for the Intermediate class.

QUESTION #4

Reference: Revenue to Cost Ratio Adjustment Work Form, Sheet C1.4
EB-2009-0261, Updated Draft Rate Order, May 10, 2010, Appendix A, page 9

- Please confirm whether the RRWF filed in Appendix A on May 10, 2010 is the RRWF consistent with the approved 2010 rates. If not, please provide the RRWF consistent with the approved 2010 rates and indicate when it was filed with the OEB.
- Please reconcile the distribution revenue reported in Sheet C1.4 (\$14,339,231) with that reported in the RRWF for 2010 rates (\$14,273,683).
- Please indicate where in the 2010 Rate Application (EB-2009-0261) the 2010 revenues from Stand-By service are documented and explain (with reference to the 2010 Rate Application) how the revenues from Stand-By service were treated in the 2010 Rate Application (e.g., were they considered part of Base Distribution Revenues or part of Miscellaneous Revenues).

QUESTION #5

Reference: Revenue to Cost Ratio Adjustment Work Form, Sheet C1.5

- Please re-do the Work Form using the results from Question 3, part (d) for 2011 and any corrections required as a result of the preceding interrogatories.