



***PUBLIC INTEREST ADVOCACY CENTRE***  
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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-2010-0104**  
**Oakville Hydro Electricity Distribution 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: Oakville Hydro Electricity Distribution Inc.  
Attention: Ms. Lesley Gallinger

**OAKVILLE HYDRO ELECTRIC DISTRIBUTION INC.**  
**2011 DISTRIBUTION RATE APPLICATION (EB-2010-0104)**

**VECC'S INTERROGATORIES**

**REVENUE TO COST RATIO ADJUSTMENT**

**QUESTION #1**

**Reference:** Revenue to Cost Ratio Adjustment Work Form, Sheet B1.1  
Board Decision EB-2009-0271, Appendix A – Settlement Agreement

- a) Please explain why the customer count values and the kWh values by class used in Sheet B1.1 differ from: i) the customer count forecast as set out in Oakville's 2010 Rate Application and ii) the kWh forecast as set out in the Settlement Agreement, Appendix D, Table 2,

**QUESTION #2**

**Reference:** Revenue to Cost Ratio Adjustment Work Form, Sheet C1.1  
Manager's Summary, page 21

- a) Please explain why no adjustment is made to the Revenue to Cost Ratio for GS<50 as was proposed in Oakville's 2010 Rate Application (EB-2009-0271, Exhibit 7/Tab 1/Schedule 3, page 5).

**QUESTION #3**

**Reference:** Revenue to Cost Ratio Adjustment Work Form, Sheet C1.2

- a) Please provide a reference to the Evidence filed in EB-2009-0271 that supports the allocation of Revenue Offsets as shown in Sheet C1.2.

**QUESTION #4**

**Reference:** Revenue to Cost Ratio Adjustment Work Form, Sheet C1.4  
Board Decision EB-2009-0271, Appendix A – Settlement Agreement

- a) Please explain why the Revenue Requirement from Rates (\$30,483,512) shown in Sheet C1.4 differs from the Distribution Revenue at Proposed Rates (\$31,136,649) as shown in the Settlement Agreement – Appendix H, Table 1.

## INCREMENTAL CAPITAL ADJUSTMENT

### QUESTION #5

**Reference:** Manager's Summary, page 12

- a) Please provide a schedule that sets out, on a comparative basis, the 2011 Preliminary Capital Budget and the approved (EB-2009-0271) 2010 Capital Budget, using the spending categories on page 12.
- b) Please provide explanations for any categories where the variance between the 2010 approved and 2011 budget spending exceeds 5%.
- c) Please identify all spending in the 2011 Capital Budget (apart from Transformer Stations) that is meant to address load growth and explain the nature and basis for the anticipated load growth.
- d) For the spending categories/projects not addressed in response to part c), please provide an explanation as to why the budgeted level of spending is required.
- e) Is any of the planned 2011 Capital Spending aimed at facilitating the connection of new renewable generation (e.g., microFIT projects)? If so, please identify the associated projects, the proposed 2011 spending and explain the basis for determining the amount of spending to be funded by Oakville's rate payers as opposed to by all consumers in the province (per Ontario Regulation 330/09).

### QUESTION #6

**Reference:** Manager's Summary, pages 18 - 20

- a) Given that the new station will be financed by an Infrastructure Ontario loan with a rate of 5.33%, why shouldn't this rate be used to determine the revenue requirement impact?
- b) Please confirm that the station is expected to be in-service prior to the end of 2011.

### **QUESTION #7**

**Reference:** Transformer Station Supply Options Study, pages 9-12  
EB-2007-0673, Supplemental Report of the Board

- a) Please provide a copy of the updated load forecast referred to at the top of page 10.
- b) Appendix B, page VII of the Board's EB-2007-0673 Supplemental Report states that applications for an incremental capital module must include evidence that "incremental revenue will not be recovered through other means" and makes specific reference to "other load growth". Given that the station is being built to meet anticipated load growth, please explain why all or at least some of the incremental revenue requested will not be recovered through "load growth".

### **QUESTION #8**

**Reference:** Transformer Station Supply Options Study, page 23

- a) When does Oakville Hydro foresee seeking approval to adjust its RTSRs in order to account for the lower wholesale transmission charges that will arise through it owning the transformer station?