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December 10, 2010

Energy Probe Research Foundation
225 Brunswick Avenue
Toronto, Ontario
M5S 2M6

VIA E-MAIL AND RESS

Attention: Mr. David McIntosh, Case Manager

Dear Mr. McIntosh:

Re: May 1, 2011 Cost of Service Interrogatory Responses/ EB-2010-0144

Pursuant to the Board's Procedural Order of November 5, 2010, Waterloo North Hydro Inc. (WNH) is enclosing its Interrogatory Responses to Energy Probe's Interrogatories of November 26, 2010.

WNH has filed an electronic copy of this document via the Board's web portal RESS and couriered two copies of this document to the Board Office.

If there are any questions, please contact Albert Singh at 519-888-5542, asingh@wnhydro.com or myself, Rene Gatien at 519-888-5544, rgatien@wnhydro.com.

Yours truly,

Original Signed By

Rene W. Gatien, P.Eng, MBA
President & C.E.O.



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December 10, 2010

Aiken & Associates
578 McNaughton Ave. W.
Chatham, Ontario
N7L 4J6

VIA E-MAIL AND RESS

Attention: Mr. Randy Aiken

Dear Mr. Aiken:

Re: May 1, 2011 Cost of Service Interrogatory Responses/ EB-2010-0144

Pursuant to the Board's Procedural Order of November 5, 2010, Waterloo North Hydro Inc. (WNH) is enclosing its Interrogatory Responses to Energy Probe's Interrogatories of November 26, 2010.

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Energy Probe Research Foundation Interrogatories

Interrogatory # 1

Ref: Exhibit 1, page 8

- a) Please explain how the reduction of the 2010 rate base expenditures for amounts not paid would penalize WNH.**

In Waterloo North Hydro's (WNH) 2010 IRM Rate Decision on March 25, 2010, EB-2009-0210, the Board stated *"The Board therefore directs that, beginning July 1, 2010, Waterloo North shall record in deferral account 1592, (PILs and Tax Variances, Sub-account HST / OVAT Input Tax Credits (ITCs)), the incremental ITC it receives on distribution revenue requirement items that were previously subject to PST and become subject to HST. Tracking of these amounts will continue in the deferral account until the effective date of Waterloo North's next cost of service rate order. 50 % of the confirmed balances in the account shall be returnable to the ratepayers."* WNH, thus, is required to return funds to its ratepayers through this deferral account in 2010. A reduction in the 2010 rate base would be returning the funds to its customers twice.

- b) Please confirm that by including PST amounts for the last half of 2010 capital expenditures, the opening rate base for 2011 has been overstated.**

WNH submits that the PST amounts for the last half of 2010 capital expenditures should remain in the rate base since removing these amounts would double count the amount given back to the customers as outlined above in (a).

- c) Please provide an estimate of the reduction in the level of capital expenditures because of the removal of the PST on costs incurred on and after July 1, 2010.**

Please refer to Board Staff IR # 18 (a) for amounts from July 1, 2010 to November 30, 2010.

- d) Please provide the amount of PST paid on capital expenditures in each of 2007, 2008 and 2009 and the estimate for 2010.**

WNH has estimated the amount of PST paid on Capital expenses for 2007 to November 2010.

Energy Probe Research Foundation Interrogatories

Table IR # 1(d) – PST paid on Capital

Period	OM&A
2007	132,225
2008	130,997
2009	112,789
2010 Jan-June	63,240
2010 July-Nov	50,141

- e) *Please provide the amount of PST paid on OM&A expenses in each of 2007, 2008 and 2009 and the estimate for 2010.*

WNH has estimated the amount of PST paid on OM&A expenses for 2007 to November 2010.

Table IR # 1(e) – PST paid on OM&A

Period	Capital
2007	526,178
2008	682,485
2009	864,551
2010 Jan-June	476,211
2010 July-Nov	318,653

- f) *For each of the bullet points shown, please indicate the amount included in the 2011 revenue requirement and the corresponding PST paid in each of 2007, 2008, 2009 and the 2010 estimate of the PST/PST portion of the HST.*

Please refer to Board Staff IR # 18 (b).

Interrogatory # 2

Ref: Exhibit 1, pages 18 & 20

Page 18 of Exhibit 1 indicates that WNH is requesting a return on equity of 9.85%. However, the table on page 20 shows a test year return on equity of 9.00%. Please reconcile these figures.

The return on equity in Table 1-3 incorrectly stated 9.00% and the table should have reflected a test year return of 9.85%. The correction of this number does not change the calculations of revenue deficiency as the number was an incorrect cell reference for illustrative purposes on this schedule; the calculation itself used the 9.85%.

Energy Probe Research Foundation Interrogatories

Interrogatory # 3

Ref: Exhibit 1, page 37

Are there any costs associated with the Waterloo North Hydro Holding Corporation Board of Directors included in the test year revenue requirement? If yes, please provide the amount included in the revenue requirement.

WNH did not include any costs associated with the Waterloo North Hydro Holding Corporation Board of Directors in the 2011 test year revenue requirement.

Interrogatory # 4

Ref: Exhibit 2, page 4

- a) Please update the 2010 column in Table 2-1 to reflect the actual capital additions for the most recent period available and the forecast for the remainder of the year.***

As described in Exhibit 2, page 19, WNH tracks and monitors its capital expenditures on a project basis; the projects are described in Table 2-2, also in Exhibit 2, page 19. Conversion to USoA account numbers has not yet occurred in WNH's fixed asset system, thus, WNH is unable to provide capital additions in the format of the USoA in Table 2-1.

Please refer to Board Staff IR # 6 (c) (i), which details capital spending to November 30, 2010 and the forecast for the remainder of the year on a project basis.

- b) Has WNH made any reduction to the capital expenditure forecasts in 2010 and/or 2011 to reflect the elimination of the provincial sales tax effective July 1, 2010? If yes, please quantify the reductions for both 2010 and 2011.***

As addressed in IR # 1, WNH has not reduced its capital expenditure forecast in 2010. Please refer to Board Staff IR # 18 (b) for details on 2011.

Energy Probe Research Foundation Interrogatories

- c) If the response to part (b) above is no, please provide an estimate of the PST no longer payable on capital expenditures for the second half of 2010 and all of 2011.***

Please refer to IR # 1 above regarding 2010.

Interrogatory # 5

Ref: Exhibit 2, pages 4, 8 & 9

- a) What is the cost associated with the 35 acres of land that was purchased in 2009?***

The total cost of the 35 acres that was acquired in 2009 is \$2,077,905.

- b) When is the 230 kV transformer station expected to be built on the 10 acres?***

The timing of the Transformer Station on this site is dependent on the load growth in the City of Waterloo. Although not currently within WNH's 5 year forecast, this parcel of land was obtained as it is one of the last remaining sites adjacent to both WNH's major source of transmission supply and WNH's growing load areas on the east side of Waterloo.

- c) Is the 5 acre buffer area related to erosion control for the service centre, the future transformer station or both?***

The 35-acre parcel is one contiguous parcel. The 5-acre buffer strip is for erosion control of the area currently developed and landscaped for the service centre and outside stores yard.

- d) Is construction still on schedule for an October 31, 2011 completion?***

The construction is still on schedule for an October 31, 2011 completion.

- e) What plans does WNH have for its existing facilities on Northfield Drive once the new facilities are occupied on December 1, 2011?***

WNH plans to sell the entire property (building and land) in 2012.

Energy Probe Research Foundation Interrogatories

f) What is the estimated sale value of the Northfield facilities?

WNH estimates that the property at 300 Northfield Drive will sell for a price that is between \$6.0 million and \$7.0 million.

g) At the end of 2010, what is the net book value associated with the existing facilities, including the land and the building.

The Net Book Value of the existing facilities, including the land and the building was \$3,659,702.

Interrogatory # 6

Ref: Exhibit 2, pages 27 & 28

a) Please update Table 2-9 to reflect the actual capital expenditures incurred to date, along with the most recent projection for the capital expenditures and year end WIP estimates.

Please refer to Board Staff IR # 6 (c) (i).

b) Please confirm that no capital expenditures related to the new facilities, including land, building, furnishings, etc., are closed to rate base in 2010.

WNH confirms that no capital expenditures related to the new facilities, including land, building, furnishings, etc. were closed to rate base in 2010.

c) Please provide a version of Table 2-10 that shows the capital expenditures excluding all costs related to the new facilities, including the land, building, furnishings, etc.

Table IR# 6 (c) has been provided below.

Energy Probe Research Foundation Interrogatories

Table IR# 6 (c) - Table 2-10 Revised Excluding New Facilities

USoA	Description	Actual	WIP	WIP	Change to Rate Base
		2011	Year End 2010	Year End 2011	2011
1805	Land	-	-	-	-
1806	Land Rights	16,350	-	-	16,350
1808	Building and Fixtures	59,156	-	-	59,156
1815	Transformer Station Equipment	265,871	-	-	265,871
1820	Distribution System Equipment	15,171	-	-	15,171
1830	OH - Poles, Towers and Fixtures	4,594,638	239,310	(555,447)	4,278,501
1835	OH - Conductors and Devices	3,127,193	126,036	(299,942)	2,953,287
1840	UG - Conduit	743,761	76,301	-	820,062
1845	UG - Conductors and Devices	2,609,612	146,297	(7,547)	2,748,362
1850	Line Transformers	4,323,985	185,878	(256,197)	4,253,666
1855	Services	676,804	-	-	676,804
1860	Meters	315,250	-	-	315,250
1915	Office Equipment	10,204	-	-	10,204
1920	Computer Hardware	349,544	-	-	349,544
1925	Computer Software	647,615	-	-	647,615
1930	Transportation Equipment	680,468	-	(110,000)	570,468
1935	Stores Equipment	53,500	-	-	53,500
1940	Tools, Shop and Garage Equipment	162,037	-	-	162,037
1945	Measurement and Testing Equipment	115,278	-	-	115,278
1955	Communication Equipment	-	-	-	-
1960	Miscellaneous Equipment	-	-	-	-
1980	System Supervisory Equipment	961,159	87,273	-	1,048,432
1995	Contributed Capital	(2,142,609)	-	-	(2,142,609)
CAPITAL EXPENDITURES		17,584,986	861,095	(1,229,133)	17,216,948

Interrogatory # 7

Ref: Exhibit 2, page 36

a) What is the source of the general inflation on non-labour expenses of 2.3% for 2010 and 2.0% for 2011?

WNH notes that the general inflation on non-labour expenses on Exhibit 2, page 36, line 10, is 1.3% for 2010. The source of this information is WNH's Board Approved GDP-IPI in its May 1, 2010 Rate Decision, EB-2009-0210.

WNH uses the Conference Board of Canada Economic Forecasts as well as Economic Forecasts from the major Canadian banks in determining its 2011 rate of 2.0%.

Energy Probe Research Foundation Interrogatories

b) What is the impact on the costs related to non-labour expenses of the 1.3% increase in 2011 and the 2.0% increase in 2011?

The impact on the costs related to non-labour expenses of the 1.3% in 2010 is approximately \$61,142 and of the 2.0% increase in 2011 is approximately \$91,097.

Interrogatory # 8

Ref: Exhibit 2, page 40

Page 21 of Chapter 2 of the Filing requirements for Transmission and Distribution Applications dated June 28, 2010 indicates that the Board's general policy for electricity distribution rate setting is that capital additions would normally attract six months (i.e. half-year) of depreciation expense in the year that they enter service. Variances from the half-year rule must be documented with supporting rationale.

Please provide the rationale for not using the half-year rule for calculating the depreciation expense for the 2011 test year.

WNH notes that on Exhibit 4, page 73, lines 22-24, it states "For this rate application, WNH has used the half-year rule for calculating depreciation expense in the 2011 Test Year, however, depreciation for all other years is calculated using a full year's amortization in the year of acquisition".

Interrogatory # 9

Ref: Exhibit 2, page 42

a) What is the percentage of RPP and non-RPP volumes for WNH? If WNH has this information by rate class, please also provide the percentages by rate class?

WNH has detailed the percentages used in the application in the tables below.

Energy Probe Research Foundation Interrogatories

Table IR # 9 (a) - Percentage of RPP and Non-RPP Volumes

Non-RPP	43.7%
RPP	56.3%
Total	100.0%

Table IR # 9 (a) - Percentage of RPP and Non-RPP Volumes by Rate Class

Type	Residential	GS<50	GS>50	Large User	Street Light	USL
Non-RPP	0.1%	0.0%	83.3%	100.0%	28.1%	3.7%
RPP	99.9%	100.0%	16.7%	0.0%	71.9%	96.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

b) How does WNH determine how much of the RPP volumes in the first 600 kWh of consumption and how much is in the additional level of consumption for each rate class?

WNH based the percentages above on the annual billed 2009 information, thus, it represents the average for the year when determining its cost of power calculations.

c) Please confirm that the 'additional kW' noted on line 26 should be 'additional kWh'.

WNH confirms that the 'additional kW' noted on line 26 should be 'additional kWh'.

d) How does WNH account for, if at all, the different tier thresholds for residential customers (600 kWh for May 1 to October 31 and 1000 kWh for November 1 to April 30)?

Please refer to IR#9 (b) above.

e) How does WNH account, if at all, for the threshold of 750 kWh per for month for the entire year for non-residential customers?

Please refer to IR#9 (b) above.

Energy Probe Research Foundation Interrogatories

- f) What are the retail transmission network and retail rates used in this application based on the May 1, 2011 date indicated?**

Please refer to Board Staff IR#8 (b).

Interrogatory # 10

Ref: Exhibit 2, page 49

- a) Please confirm that the disposal in account 1805 of \$754,394 is related to the land on Northfield Drive. If this cannot be confirmed, please explain what this disposal is related to.**

WNH confirms that the \$754,394 in account 1805 is related to the land on Northfield Drive.

- b) Please confirm that the disposal in account 1808 of \$4,674,464 and the accumulated depreciation disposal of \$1,758,156 are related to the building on Northfield Drive. If this cannot be confirmed, please explain what this disposal is related to.**

WNH confirms that the \$4,674,464 in account 1808 and the \$1,758,156 accumulated depreciation are related to the building on Northfield Drive.

- c) What is the date of the disposal value of \$1,758,156 shown for accumulated depreciation?**

Please refer to Board Staff IR # 4 (c), WNH has not yet disposed of the building.

Energy Probe Research Foundation Interrogatories

Interrogatory # 11

Ref: Exhibit 2, pages 42, 59 & 60

- a) Please update the cost of power for 2011 shown in Table 2-24 to reflect the methodology described on page 42 and the Board's October 18, 2010 RPP Price Report.***

Please refer to Board Staff IR # 8 (a) and (b).

- b) Please update the cost of power for 2011 in Table 2-24 to reflect the Board's October 18, 2010 RPP Price Report, but assume a price of \$68.38/MWh for all RPP volumes.***

WNH has updated the cost of power for 2011 in Table 2-24 to reflect the Board's October 18, 2010 *Regulated Price Plan Price Report* and assumed a price of \$68.38/MWh for all RPP volumes in the table below.

Energy Probe Research Foundation Interrogatories

Table IR# 11 (b) – Revised Table 2-24
Updated 2011 Cost of Power using October 18, 2010 RPP Price Report and \$68.38/MWh for all RPP Volumes

											Updated	
Expense Description	2006 Actual	Allowance for Working Capital	2007 Actual	Allowance for Working Capital	2008 Actual	Allowance for Working Capital	2009 Actual	Allowance for Working Capital	2010 Bridge	Allowance for Working Capital	2011 Test	Allowance for Working Capital
Cost of Power												
4705-Power Purchased	74,187,482	11,128,122	76,380,085	11,457,013	76,036,378	11,405,457	62,269,812	9,340,472	97,756,591	14,663,489	95,996,337	14,399,451
4708-WMS	8,581,159	1,287,174	7,099,751	1,064,963	8,269,939	1,240,491	8,464,974	1,269,746	9,331,888	1,399,783	9,289,687	1,393,453
4714-NW	7,510,949	1,126,642	7,527,397	1,129,110	6,187,681	928,152	6,514,485	977,173	7,343,286	1,101,493	7,285,670	1,092,851
4716-CN	3,812,819	571,923	2,707,083	406,063	2,383,435	357,515	2,615,293	392,294	2,449,480	367,422	2,430,261	364,539
4750-LV Charges	75,115	11,267	111,721	16,758	117,199	17,580	114,317	17,148	153,000	22,950	165,000	24,750
Subtotal - Cost of Power	94,167,524	14,125,129	93,826,037	14,073,906	92,994,631	13,949,195	79,978,881	11,996,832	117,034,245	17,555,137	115,166,955	17,275,043
Distribution - Operation												
5010-Load Dispatching	843,791	126,569	962,687	144,403	1,047,310	157,097	987,610	148,141	1,133,603	170,040	1,252,456	187,868
5012-Station Buildings and Fixtures Expense	408,157	61,224	430,232	64,535	457,953	68,693	419,551	62,933	424,108	63,616	434,630	65,195
5014-Transformer Station Equipment - Operation Labour	149,544	22,432	113,269	16,990	149,488	22,423	93,249	13,987	76,279	11,442	122,155	18,323
5015-Transformer Station Equipment - Operation Supplies and Expenses	56,832	8,525	39,595	5,939	60,647	9,097	37,041	5,556	70,668	10,600	78,613	11,792
5016-Distribution Station Equipment - Operation Labour	84,090	12,614	113,409	17,011	176,698	26,505	177,503	26,625	112,153	16,823	123,042	18,456
5017-Distribution Station Equipment - Operation Supplies and Expenses	32,347	4,852	66,150	9,922	67,202	10,080	92,946	13,942	80,591	12,089	81,766	12,265
5020-Overhead Distribution Lines and Feeders - Operation Labour	542,982	81,447	533,172	79,976	676,820	101,523	844,746	126,712	562,569	84,385	574,591	86,189
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	208,059	31,209	278,914	41,837	248,020	37,203	273,540	41,031	396,692	59,504	392,386	58,858
5035-Overhead Distribution Transformers - Operation	-	-	-	-	-	-	3,269	490	5,159	774	5,014	752
5040-Underground Distribution Lines and Feeders - Operation Labour	67,455	10,118	134,662	20,199	99,684	14,953	26,768	4,015	63,775	9,566	65,092	9,764
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	41,917	6,288	66,362	9,954	77,344	11,602	8,877	1,332	25,820	3,873	25,005	3,751
5055-Underground Distribution Transformers - Operation	66	10	-	-	-	-	10,515	1,577	11,028	1,654	10,796	1,619
5065-Meter Expense	349,700	52,455	410,333	61,550	322,022	48,303	236,090	35,414	213,174	31,976	405,255	60,788
5085-Miscellaneous Distribution Expense	294,626	44,194	231,479	34,722	255,094	38,264	262,281	39,342	304,452	45,668	306,733	46,010
Subtotal - Distribution - Operation	3,079,565	461,935	3,380,262	507,039	3,638,282	545,742	3,473,986	521,098	3,480,071	522,011	3,877,534	581,630
Distribution - Maintenance												
5105-Maintenance Supervision and Engineering	189,322	28,398	-	-	-	-	-	-	-	-	-	-
5110-Maintenance of Structures	29,763	4,464	45,236	6,785	62,755	9,413	48,022	7,203	65,692	9,854	55,468	8,320
5112-Maintenance of Transformer Station Equipment	114,169	17,125	35,045	5,257	110,352	16,553	83,893	12,584	78,988	11,848	36,473	5,471
5114-Maintenance of Distribution Station Equipment	76,510	11,476	127,355	19,103	114,238	17,136	166,363	24,954	88,340	13,251	77,262	11,589
5120-Maintenance of Poles, Towers and Fixtures	449,429	67,414	406,736	61,010	366,819	55,023	133,113	19,967	198,155	29,723	225,985	33,898
5125-Maintenance of Overhead Conductors and Devices	134,879	20,232	158,509	23,776	159,150	23,873	248,807	37,321	312,160	46,824	322,983	48,447
5130-Maintenance of Overhead Services	43,921	6,588	13,688	2,053	8,765	1,315	30,590	4,589	-	-	35,204	5,281
5135-Overhead Distribution Lines and Feeders - Right of Way	448,802	67,320	550,532	82,580	535,739	80,361	430,580	64,587	475,593	71,339	445,716	66,857
5145-Maintenance of Underground Conduit	8,037	1,205	308	46	-	-	-	-	-	-	-	-
5150-Maintenance of Underground Conductors and Devices	21,615	3,242	9,953	1,493	14,970	2,245	6,645	997	13,964	2,095	14,012	2,102
5155-Maintenance of Underground Services	129,060	19,359	69,693	10,454	156,402	23,460	140,929	21,139	174,484	26,173	174,972	26,246
5160-Maintenance of Line Transformers	69,840	10,476	87,650	13,147	174,224	26,134	86,876	13,031	146,324	21,949	160,395	24,059
5175-Maintenance of Meters	3,843	577	18,596	2,789	26,874	4,031	8,833	1,325	10,556	1,583	10,711	1,607
Subtotal - Distribution - Maintenance	1,719,190	257,879	1,523,299	228,495	1,730,289	259,543	1,384,651	207,698	1,564,256	234,638	1,559,180	233,877

Energy Probe Research Foundation Interrogatories

Expense Description	2006 Actual	Allowance for Working Capital	2007 Actual	Allowance for Working Capital	2008 Actual	Allowance for Working Capital	2009 Actual	Allowance for Working Capital	2010 Bridge	Allowance for Working Capital	2011 Test	Allowance for Working Capital
Billing and Collections												
5305-Supervision	91,687	13,753	116,569	17,485	106,573	15,986	113,434	17,015	111,069	16,660	117,462	17,619
5310-Meter Reading Expense	285,926	42,889	246,673	37,001	241,803	36,270	259,260	38,889	289,676	43,451	260,318	39,048
5315-Customer Billing	696,308	104,446	727,243	109,086	668,799	100,320	726,373	108,956	1,155,109	173,266	1,207,472	181,121
5320-Collecting	329,214	49,382	339,961	50,994	347,902	52,185	384,899	57,735	601,141	90,171	581,187	87,178
5325-Collecting - Cash Over and Short	13	2	81	12	2,393	359	253	38	-	-	-	-
5330-Collection Charges	(92,320)	(13,848)	(87,180)	(13,077)	(66,917)	(10,038)	(74,948)	(11,242)	(77,500)	(11,625)	(77,500)	(11,625)
5335-Bad Debt Expense	51,410	7,711	129,321	19,398	295,004	44,251	189,953	28,493	100,000	15,000	100,000	15,000
Subtotal - Billing and Collections	1,362,238	204,336	1,472,667	220,900	1,595,556	239,333	1,599,224	239,884	2,179,495	326,924	2,188,939	328,341
Community Relations												
5405-Supervision	38,688	5,803	-	-	-	-	-	-	-	-	-	-
5410-Community Relations - Sundry	129,582	19,437	80,898	12,135	65,692	9,854	66,458	9,969	138,071	20,711	163,663	24,549
5415-Energy Conservation	387,338	58,101	205,935	30,890	25,703	3,855	30,847	4,627	50,000	7,500	50,000	7,500
5420-Community Safety Program	27,335	4,100	23,951	3,593	28,302	4,245	24,314	3,647	33,089	4,963	33,114	4,967
Subtotal - Community Relations	582,943	87,441	310,784	46,618	119,696	17,954	121,619	18,243	221,160	33,174	246,777	37,017
Administrative and General Expenses												
5605-Executive Salaries and Expenses	515,160	77,274	490,417	73,563	486,500	72,975	474,131	71,120	460,707	69,106	464,036	69,605
5615-General Administrative Salaries and Expenses	1,149,125	172,369	1,011,759	151,764	1,005,375	150,806	1,274,834	191,225	1,431,285	214,693	1,453,695	218,054
5625-Administrative Expense Transferred-Credit	(507,832)	(76,175)	(349,783)	(52,467)	(463,386)	(69,508)	(376,582)	(56,487)	(384,784)	(57,718)	(499,705)	(74,956)
5630-Outside Services Employed	177,884	26,683	94,047	14,107	83,113	12,467	121,337	18,201	90,300	13,545	90,300	13,545
5640-Injuries and Damages	116,780	17,517	142,929	21,439	135,898	20,385	109,923	16,488	113,850	17,078	115,300	17,295
5645-Employee Pensions and Benefits	(203,942)	(30,591)	-	-	-	-	-	-	-	-	-	-
5655-Regulatory Expenses	312,703	46,905	398,144	59,722	377,610	56,641	393,922	59,088	431,430	64,715	471,686	70,753
5665-Miscellaneous Expenses	220,879	33,132	219,082	32,862	232,766	34,915	226,261	33,939	220,313	33,047	216,095	32,414
Subtotal - Administrative and General Expenses	1,780,756	267,113	2,006,595	300,989	1,857,875	278,681	2,223,826	333,574	2,363,101	354,465	2,311,407	346,711
Taxes Other than Income Taxes												
6105-Taxes Other Than Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - Taxes Other than Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Total	102,692,215	15,403,832	102,519,646	15,377,947	101,936,330	15,290,450	88,782,187	13,317,328	126,842,329	19,026,349	125,350,793	18,802,619

Energy Probe Research Foundation Interrogatories

Interrogatory # 12

Ref: Exhibit 2, Table 2-32

For each project shown in each of the sub-tables in Table 2-32 with an expected in-service date, please indicate whether or not the project will be completed and placed in service before the end of 2010.

WNH has provided details regarding the completion and in service dates for projects in Table 2-32 in the tables below.

Energy Probe Research Foundation Interrogatories

Table IR# 12 – Completion and In Service Dates

Project # / Sub-code		Project Description	Complete/ In Service in 2010	Comments	2010 Project Addition \$
Land Rights	06EN03-1	Land Rights			
Overhead Rebuild Lines	06EN04 W02596	Tavrida Recloser Purchase	Yes		
	06EN04 W03369	Lexington & Bridge (Colonial Acres) - Conv	Yes		
	06EN04 W03426	Distribution Fuse Co ordination Study	Yes		
	06EN04 W03796	Herrgott Road, Ament Line to Boomer Line,	Yes		
	06EN04 W03805	Fountain St., Menno St. to Kossuth Rd., Co	Yes		
	06EN04 W03807	Weimar Line Overhead Rebuild Ph3	Yes		
	06EN04 W03808	Kossuth Pole Line Rebuild	Yes		
	06EN04 W03814	Park Ave. E., Elmira Pole Line Rebuild	Yes		
	06EN04 W03878	Samuel Street and Area Reconstruction	Yes		
	06EN04 W03890	2010 Designated Danger Poles	Yes		
	06EN04 W03908	Rear of Winfield Ave Carter to Bellehave	Yes		
	06EN04 W04072	2010 Pole Removals for Bell, Atria, Rogers	Yes		
	06EN04 1	2010 Distribution Automation	Yes		
	06EN04 2	2010 Loadbreak Switches/Ties	Yes		
	06EN04 3	TS HS New 13.8 kV Feeder Weber, Dutton to Parkside	No	2010 WIP, complete in 2011	
	06EN04 4	King St Bridge to Expwy Rebuild Line	No	2010 WIP, complete in 2011	
	06EN04 5	Reconductoring at Fountain St., Breslau	Yes		
	06EN04 7	City #6 Conductor Replacement 2. Somerset Backlot	Yes		
	06EN04 8	Elmira #6 Conductor Replacement 1a. - Map 19	No	Deferred to 2011	
	06EN04 9	Elmira #6 Conductor Replacement 2a. - Map 20	No	Deferred to 2011	
	06EN04 10	Elmira #6 Conductor Replacement 3. Wyatt St, Map 16	No	Deferred to 2011	
	06EN04 11	Elmira #6 Conductor Replacement 4. University/college - Map 17	No	Deferred to 2011	
	06EN04 12	Elmira #6 Conductor Replacement 5. College - Map 17	No	Deferred to 2011	
	06EN04 14	MS6/10 Overhead Conversions - Amos Ave only	Yes		
	06EN04 47	Churchill St (10 poles, facilitate underground conversions)	Yes		
	06EN04 48	McDougall 4 kV coversion (facilitate underground project)	Yes		
	06EN04 15	Erb. st. Erbsville Rd to Landfill Conversion	Yes		
	2010 Addition	Weimar Line - Rebuild/Convert Bamberg	Yes	Required for Wellesley 27kV conversion	352,374
	2010 Addition	Mill St. Depreciated pole replacement	Yes	Required for 4 kV conversion	35,000
	2010 Addition	Country Squire Line Rebuild	Yes	Required as a result of customer relocation	165,172
	2010 Addition	Bluevale overhead conversion	Yes	Required for underground cable replacement	45,000

Energy Probe Research Foundation Interrogatories

Project # / Sub-code		Project Description	Complete in 2010	Comments	2010 Project Addition \$
Overhead Rebuild Lines	06EN04 19	27.6 kV to Wellesley Hessen Strasss, Hergott to Moser Young 1 of 2	Yes		
	06EN04 20	27.6 kV to Wellesley Moser Young, Hessen Strasse to Weimar Line 2 of 2	Yes		
	06EN04 23	Install reclosers	Yes		
	06EN04 24	Long Term System Planning	Yes		
	06EN04 25	Small Capital	Yes		
	06EN04 35	Contract design services	Yes		
	06EN04 38	Avondale - Operations	Yes		
	06EN04 39	Hergott Rd. - Ament Line to Boomer Line Conversion	Yes		
	06EN04 40	Sandy Hills Dr - remove 44 kV - Hydro One	Yes		
	06EN04 41	Columbia St., Weber to Marsland - Rebuild	Yes		
	06EN04 42	Depreciated Poles	Yes		
	06EN04 43	2010 Pole Testing Replacements	Yes		
Overhead Relocate Lines	06EN05 2	Bearinger City Pole Relocations	Yes		
	06EN05 3	Samuel Area (Elmira) Roadwork Relocations	Yes		
	06EN05 4	University Ave, Lexington to Bridge, City Relocations	Yes		
	2010 Addition	Park St. City line relocation	Yes	Added to facillitate City roadwork project	75,000
Overhead New Feeders	06EN06 WO2847	Donway Court, Elmira Pole Line Extension	Yes		
	06EN06 WO3537	Ira Needles - Erb St. to University Ave.	Yes		
	06EN06 WO3592	Crowsfoot Rd., E. of St. Charles St. E, Li	Yes		
	06EN06 WO3664	Moser-Young Rd - Hessen Strasse to Weimar	Yes		
	06EN06 WO3705	Erbville Road - Columbia Street to Erb St	Yes		
	06EN06 WO3859	Hessen Strasse - Willow Way to Moser-young	Yes		
	06EN06 WO4013	Chalmers-Forrest Rd, Deborah-Glaister Line	Yes		
	06EN06 WO4020	Weimar Line - Moser- Young to Maplewood Dr,	Yes		
	06EN06 4	LTLT Crowsfoot Rd - Hydro One work	Yes		
	06EN06 6	Chalmers Forest Rd - S. of Deb. Glas. Line	Yes		
	06EN06 7	Maryhill Rd. - New Line for Service	Yes		
	2010 Addition	Cober Rd - New line for Airport supply (design only) 1	Yes	Advanced forward from 2011	210,000
	06EN07 WO3523	50 Erb St. W. Knox Church	Yes		
Overhead New Services	06EN07 WO3893	Farm Stray Voltage Testing - 1496 Tillman	Yes		
	06EN07 WO3993	2010 - Overhead Commercial Services	Yes		
	06EN07 1	New Overhead Service Connections/Upgrades	Yes		
	06EN08 WO2918	TS HS17 Feeder Egress - Conestoga Parkway to Dutton Drive	No	2010 WIP, complete in 2011	
Underground New Feeders	06EN08 WO3555	New U/G Feeder - Father David Drive from E	Yes		
	06EN08 1	Balsillie School - F.D. Bauer Dr.	Yes		
	06EN08 4	TS HSA New Feeder Cable	No	2010 WIP, complete in 2011	
	06EN09 WO3368	Karen Walk Underground Cable Replacement	Yes		
Underground Cable Replacement	06EN09 WO3397	121 University Ave Townhouses Underground	Yes		
	06EN09 WO3508	Area 27 - Carter Willowdale 4 KV U/G Rebuild	Yes		
	06EN09 WO3711	Keatsway Cable Replacements Various Locations	Yes		
	06EN09 WO4021	Churchill St U/G Cable Replacement	Yes		

Energy Probe Research Foundation Interrogatories

Project # / Sub-code		Project Description	Complete in 2010	Comments	2010 Project Addition \$
Underground Cable Replacement	06EN09 1	Area 15 - Glenburn Dr., Keats Way Pl., Keats Walk	Yes		
	06EN09 2	Area 14 - Churchill St. Townhouses	Yes		
	06EN09 3	Westcourt Place Secondary - Ph 1 -54 units	Yes		
	06EN09 4	Area 15 - McDougall Townhouses	Yes		
	06EN09 5	Area 15 - Keatsway Public School	Yes		
	06EN09 7	Area 28 - 121 University Ave.	Yes		
	06EN09 10	Submersible Transformer Replacements	Yes		
	06EN09 11	Submersible Transformer Lid Replacement	Yes		
	06EN09 12	PMH Switchgear Replacements	Yes		
	06EN09 14	Kraus Drive under HONI 230 kV	No	2010 WIP, complete in 2011	
	06EN09 18	High St / Weber St. - Secondary Replacement	No	Deferred - replaced by Heidelberg project advancement	
	2010 Addition	Bluevale T.H. Phase 1	Yes	Advanced forward from 2011	468,000
	2010 Addition	Heidelberg cable replacement	Yes	Advanced forward from 2011	470,000
Underground Residential Subdivisions	06EN10 WO3292	Gies Westvale Stg 2, Thornhill Dr./Applegate	Yes		
	06EN10 WO3956	Empire Comm. Riverland Sub, Stg 2A	Yes		
	06EN10 11	Hopewell Heights Phase 3C	Yes		
	06EN10 13	Carriage Crossing	No	Deferred by developer's schedule	
	06EN10 14	Orville Court	Yes		
	2010 Addition	Empire Comm. Riverland Sub, Stg 2C	No		164,266
	06EN11 WO4010	2010 UG Residential Services	Yes		
	06EN11 1	New UG Services	Yes		
TS Building Upgrade	06SN02 1	TS ERTS Switchyard Upgrades	Yes		
	06SN02 2	New Relay Room Floor	Yes		
TS Equipment Upgrade	06SN04 4 WO7315	TS ERTS Transformers	Yes		
	06SN04 5 WO3969	TS ERTS Regulatory Filings	Yes		
	06SN04 6 WO4023	TS ERTS Protection Upgrades	Yes		
	06SN04 7 WO4143	TS ERTS Transfer Trip Changes	Yes		
	06SN04-8 WO4156	Dutton Driver Feeders	Yes		
	06SN04 9 WO4158	TS ERTS HV Yard Upgrades	Yes		
	06SN04 WO2315	TS ERTS Rehabilitation Transformers	Yes		
Overhead Capital	06OH01 1	Overhead Capital Operations Department	Yes		
Underground Capital	07OU01-1	Underground Capital Operations Department	Yes		
Meters Commercial	06MT02 1	Meters Commercial (>50kW)	Yes		
Meters Wholesale	06MT03-1	Meters Wholesale	Yes		
Service Centre	06GM02 1	Service Centre (existing)	No		

Energy Probe Research Foundation Interrogatories

Project # / Sub-code		Project Description	Complete in 2010	Comments	2010 Project Addition \$
GIS Mapping	06EN13 1	GIS - Mapping	Yes		
			Yes		
Equipment Garage	06FL01 1	Battery Cutters	Yes		
		Battery Press	Yes		
		Bin/Cage, Burndy Press, Huskey 14.4 v Press, Load Spotter, Tool crib, Other	Yes		
		CSA Dies, Complete Sets	Yes		
		RBD Equipment	Yes		
		Installed Radios in Vehicles - new & replacement vehicles	Yes		
		Road Work Signage, Volt meter, UG Pulling Ropes	Yes		
		Tingle Voltage Investigation Equipment in Vehicle	Yes		
		Capital Refurbishment to Major Equipment	Yes		
		Capital Repairs to Major Equipment	Yes		
		Additional cabinet modifications	Yes		
			Yes		
Vehicles	06FL02 1	Refurbish 1 flat bed trailer	Yes		
		Vehicle modifications to improve load security	Yes		
		60' RBD and Body - Rear Centre Mount Digger	Yes		
		Material Trailer	Yes		
		10 Ford Escape	Yes		
		Mini Van	Yes		
Furniture & Equipment Fleet	06MT04 1	2010 GMC Savana Cargo Van	Yes		
		Power Analyzer & Socket Voltage Recorders	Yes		
SCADA Equipment	06SN05 2	TS ERTS New RTU and Fibre LAN	Yes		
		Fluke meter case, accessories & Shelving Tools	Yes		
System Hardware	06SS02 1	Furniture &	Yes		
		Hardware - 5 year LT Replacement	Yes		
		5 Year PC Replacement	Yes		
		IP 295 Firewall Upgrade	Yes		
		Laptops IT (2)	Yes		
		Monitors Control Room, Supervisor (3) including quad setup	Yes		
		PC Network Operating Supervisor (1)	Yes		
		Printer Accounting(1)	Yes		
		Tivoli Disk Expansion (450gb)	Yes		
		UPS Battery Replacement	Yes		
		Video Card for Control Room	Yes		
	06SS02 2	Online Document Management - Scanner (1), PC (2)	Yes		
	06SS02 3	Server for ODS	Yes		
	06SS02 4	Business Intelligence & KPI Disk	Yes		
	06SS02 5	Hardware Infrastructure - Departmental	Yes		
System Software	06SS03 1	P.I.T Upgrades & Development	Yes		
	06SS03 2	ODS Software Costs	Yes		
	06SS03 3	Business Intelligence & KPI (Software, Licence Fees, Other)	Partial	7 standalone projects, 1 complete	
	06SS03 4	New Budgeting Software	Partial	3 standalone projects, 1 complete	
	06SS03 6	eBusiness Implementation Software and Programming	No		
	06SS03 7	Naviline, Daffron, FWorker Enhancements	Partial	3 standalone projects, 2 complete	
	06SS03 8	EDRMS Phase 1 Implementation of EDRMS Policies & Related eMail Management	Yes		
	06SS03 9	Lotus Notes Client Licence and Windows 2008 User CAL	Yes		
	06SS03 11	GIS - Tivoli Backups and Licences	Yes		
	06SS03 12	Software Infrastructure - Departmental	Yes		
	06SS03 13	Online Document Management (Software and Licences)	Yes		
			Yes		
Furniture & Equip Engineering	06EN01-1	Furniture & Equip Engineering	Yes		

Energy Probe Research Foundation Interrogatories

Interrogatory # 13

Ref: Exhibit 2, pages 86-91

- a) When does WNH plan to dispose of the surplus substation properties noted on page 87?***

WNH anticipates that disposal of these properties will occur over the period 2012 – 2014.

- b) What is the current net book value associated with the surplus substation properties?***

The current net book value associated with the surplus substation properties is \$48,328.

- c) What is the current market value of the surplus substation properties?***

The current market value of the surplus substation properties is not known.

- d) What are the substation properties currently being used for, other than the storage of materials and equipment, if they can be declared surplus at some point?***

One of the properties is used for storage and will become surplus after storage can be consolidated at the new service centre in 2012. The other property is used for storage and still has an in-service 4 kV Substation. It is anticipated the station will be out of service in 2013 and can disposed of by 2014.

Energy Probe Research Foundation Interrogatories

e) Please explain how the 1.2% rate for AFUDC was determined.

The AFUDC 1.2% rate is the rate that Infrastructure Ontario is charging WNH on advancement of funds during the construction phase.

f) What is the impact of the removal of the provincial sales tax effective July 1, 2010 on the cost of the project? Has this been reflected in the cost of the administrative building and service centre? If not, why not?

The provincial sales tax is not included in the cost of the administrative building and service centre.

Interrogatory # 14

Ref: Exhibit 3, Table 3-1

a) There appear to be numerous errors in Table 3-1. In particular, it appears that the variance columns for 2007 vs 2006, 2008 vs 2007, 2009 vs 2008, and 2010 vs 2009 have not been calculated correctly. Please provide a corrected Table 3-1.

Please refer to Board Staff IR # 10.

b) Please replace the 2011 test year figures shown in Table 3-1 with revenues based on existing rates.

WNH has revised the Throughput Revenue 2011 Test Year Revenue with revenues based on existing rates in the table below. Please note changes from Board Staff IR # 10 and # 35 and Energy Probe IR # 23 (c) are also reflected.

Energy Probe Research Foundation Interrogatories

Table IR# 14 (b) - Table 3-1 Revised - 2011 Test Year Revenues at Existing Rates

	2006 Board Approved	2006 Actual	2006 Actual vs. 2006 Board Approved	2007 Actual	2007 Actual vs. 2006 Actual	2008 Actual	2008 Actual vs. 2007 Actual	2009 Actual	2009 Actual vs. 2008 Actual	2010 Bridge	2010 Bridge vs. 2009 Actual	2011 Test Based on Existing Rates	2011 Test vs. 2010 Bridge
Throughput Revenue													
Residential	12,584,541	12,474,198	(110,342)	13,161,992	687,793	13,269,383	107,391	13,405,234	135,852	13,085,005	(320,229)	12,998,073	(86,932)
GS<50	3,879,492	3,838,382	(41,110)	3,853,585	15,202	3,843,387	(10,197)	3,837,056	(6,331)	3,827,123	(9,933)	3,727,692	(99,431)
GS>50	6,879,858	7,031,351	151,493	7,370,276	338,925	7,461,869	91,593	7,368,609	(93,260)	7,343,079	(25,530)	6,446,293	(896,787)
Large User	699,447	695,052	(4,395)	646,219	(48,833)	607,186	(39,033)	714,805	107,619	481,496	(233,310)	480,829	(667)
Street Lighting	184,240	185,522	1,282	193,998	8,477	195,567	1,569	196,902	1,335	194,982	(1,920)	197,834	2,852
Unmetered Scattered Load	138,158	76,352	(61,806)	105,665	29,312	117,730	12,065	120,883	3,153	117,351	(3,532)	117,480	129
Embedded Distributor			-		-		-		-		-		-
Transformer Ownership Allowance	(744,464)	(759,210)	(14,746)	(776,514)	(17,304)	(776,374)	140	(776,628)	(254)	(776,628)	0	(672,628)	104,000
Other Distribution Charges													
Other Revenue													
Late Payment Charges	160,296	187,406	27,110	186,505	(901)	168,746	(17,759)	180,266	11,520	180,000	(266)	180,000	-
Specific Service Charges	304,646	140,903	(163,743)	386,267	245,364	279,258	(107,008)	244,566	(34,692)	244,155	(411)	245,845	1,690
Other Distribution Revenue	91,451	304,576	213,125	282,082	(22,494)	281,083	(998)	268,081	(13,002)	277,719	9,638	278,819	1,100
Other Income and Deductions	323,902	813,011	489,109	1,016,119	203,108	904,858	(111,261)	419,515	(485,343)	355,047	(64,468)	346,994	(8,053)
SSS Administration Charge	121,602	125,369	3,767	125,369	-	130,942	5,573	132,653	1,712	135,000	2,347	135,000	-
Low Voltage Charges	95,727	75,115	(20,612)	111,721	36,606	117,199	5,478	114,317	(2,882)	153,000	38,683	165,000	12,000
Total Operating Revenue	24,718,896	25,188,028	469,132	26,663,282	1,475,254	26,600,834	(62,448)	26,226,260	(374,574)	25,617,330	(608,930)	24,647,230	(970,100)

Energy Probe Research Foundation Interrogatories

- c) *Are the distribution revenues shown in Table 3-1 actual revenues or normalized actual revenues?*

The distribution revenues in Table 3-1 are actual revenues for the years 2006 through 2009.

- d) *Please provide a table in the same level of detail as in Table 3-1 that shows the most recent year-to-date revenues available for 2010, along with the year-to-date revenues for the corresponding period in 2009.*

WNH has provided revenues at October 31, 2009 and October 31, 2010 in the table below. WNH notes that the figures below are unofficial internal data without full year end accruals and adjustments.

Table IR # 14 (d) Revenues

	January to October 2009	January to October 2010
Throughput Revenue		
Residential	11,041,759	11,262,675
GS<50	3,126,801	3,180,900
GS>50	5,740,171	6,018,159
Large User	442,145	350,527
Street Lighting	163,865	162,523
Unmetered Scattered Load	100,567	106,918
Embedded distributor	-	-
Transformer Ownership Allowance	(657,782)	(699,551)
Other Revenue		
Late Payment Charges	153,902	155,108
Specific Service Charges	204,688	214,981
Other Distribution Revenue	210,599	231,422
Other Income and Deductions	408,599	247,241
SSS Administration Charge	107,590	111,342
Low Voltage Charges	95,244	100,579
Total Operating Revenue	\$ 21,138,148	\$ 21,442,823

Interrogatory # 15

Ref: Exhibit 3, Table 3-7

Please provide the estimated coefficients for each of the explanatory variables shown in Table 3-7.

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WNH has provided the estimated coefficients for each of the explanatory variables shown in Table 3-7 below.

Table IR# 15 - Estimated Coefficients of Explanatory Variables

<i>Explanatory Variables</i>	<i>Coefficients</i>
Intercept	(90,392,764)
Heating Degree Days	28,385
Cooling Degree Days	180,664
Ontario Real GDP Monthly %	178,921
Number of Days in Month	1,999,057
Spring Fall Flag	(2,056,229)
Number of Customers	1,840
Number of Peak Hours	57,334

Interrogatory # 16

Ref: Exhibit 3, Table 3-8

- a) Are the forecast figures for 2010 and 2011 shown in Table 3-8 for 2010 and 2011 before or after the adjustment for CDM?***

The forecast figures for 2010 and 2011 shown in Table 3-8 are before the adjustment for CDM.

- b) Does the 2010 figure shown include any actual data for 2010?***

The 2010 figure does not include any actual data for 2010.

- c) Please provide the most recent year-to-date actual figures for 2010, along with the forecast for the corresponding period in 2009.***

WNH has provided the most recent year-to-date actual (not normalized) figures for 2010, along with the forecast (predicted purchases,) which used the actual HDD and CDD to determine the 2009 forecast, for the corresponding period in 2009 in the table below

Energy Probe Research Foundation Interrogatories

Table IR#16 (c)
2010 Actual (not normalized) kWh Purchases and 2009 Predicted kWh Purchases

Month	2010 kWh Actual, Not Normalized	2009 kWh Predicted per Regression Model
January	133,979,177	134,066,387
February	119,946,771	119,370,647
March	123,452,454	123,528,065
April	109,614,094	113,573,610
May	117,656,799	111,443,745
June	120,954,770	114,372,705
July	135,775,256	113,234,579
August	132,798,939	118,695,094
September	116,946,781	108,425,012
October	116,794,004	116,289,812

Interrogatory # 17

Ref: Exhibit 3, page 17

- a) Please provide the average loss factor for the same period over which the regression was estimated (i.e. 1996 through 2009), or if information for this period is not available, the longest period for which it is available.***

Please refer to VECC IR # 6 (b).

- b) Using the average loss factor from part (a), please calculate the 2011 GWh billed energy forecast.***

The 2011 GWh billed energy forecast, using the average loss factor from part (a), is 1,375.

- c) Are the customer numbers shown in Table 3-9 year end customer numbers or the average number of customers for the year? If the latter, please provide the actual number of customers/connections at the end of 2009 for each rate class.***

The customer numbers shown in Table 3-9 represent the year end customer numbers.

Energy Probe Research Foundation Interrogatories

Interrogatory # 18

Ref: Exhibit 3, page 19

- a) Please provide the actual number of customers/connections as of the most recent month available in 2010 for each of the rate classes shown in Table 3-11.**

The actual number of customers at October 31, 2010 is shown in the table below.

Table IR #18 (a) - Numbers of Customer/Connections at October 31, 2010

# Customers				# Connections	
Residential	GS<50	GS>50	Large User	Street Light	USL
45,753	5,356	664	1	12,958	539

- b) Please confirm that the historical annual usage shown in Tale 3-12 is based on actual consumption and not normalized actual consumption.**

WNH confirms that the historical annual usage shown in Table 3-12 is based on actual consumption.

Interrogatory # 19

Ref: Exhibit 3, pages 20-23

- a) Please update the forecast and all relevant tables to reflect the CDM target assigned to WNH as part of the EB-2010-0215/EB-2010-0216 Decision and Order dated November 12, 2010.**

WNH, in its August 27, 2010 filing, allocated one-quarter of the Board's Proposed CDM Target as a CDM Adjustment. On November 20, 2010 the Board Finalized the CDM Targets (WNH's GWh was 66,490,000 and divided by 4 is 16,622,500.). WNH filed its CDM Strategy, as prepared by Navigant Consulting Ltd., with the Board on November 1, 2010 which had the following CDM Milestones:

Energy Probe Research Foundation Interrogatories

CDM Milestones

Waterloo North Hydro Inc.

	2011	2012	2013	2014
Cumulative Energy (MWh)				
Tier 1 Programs	16,143	29,230	43,359	56,181
Tier 2 & 3 Programs	2,955	5,909	8,864	11,819
Total (CDM Target)	19,097	35,139	52,223	68,000
Demand (MW)				
Tier 1 Programs	4.3	8.3	12.3	16.3
Tier 2 & 3 Programs	(0.1)	(0.1)	(0.2)	(0.3)
Total (CDM Target)	4.3	8.2	12.1	16.0

Note – negative value indicates reductions exceed CDM target.

WNH has run its load forecast as shown in the following tables to reflect the differences. In addition, WNH has corrected the CDM OPA kWh Savings in 2010 and 2011 to reflect OPA Savings that will result from 2010 initiatives and activity. WNH has determined that the 2009 OPA actual savings is a representative proxy for 2010. The OPA released *2006-2009 Final OPA CDM Results. Waterloo North Hydro Inc* on December 1, 2010 and WNH has used the 2009 actual result.

Table IR# 19 (a) - CDM Adjustments – Revised

CDM Adjustment	2011 Weather Normal As filed August 27, 2010	2011 Weather Normal If 1/4 of Final CDM Target	2011 Weather Normal As Per CDM Strategy	2011 Weather Normal Adjusted OPA Savings	2010 Weather Normal Adjusted OPA Savings
Predicted kWh Purchases prior to CDM Adjustment	1,463,438,206	1,463,438,206	1,463,438,206	1,463,438,206	1,444,835,419
OPA kWh Savings 2010 ¹	(9,160,344)	(9,160,344)	(9,160,344)	(5,366,065)	
OPA kWh Savings 2011	(8,095,238)	(8,095,238)	(8,095,238)		(5,366,065)
CDM kWh Target Savings 2011	(17,000,000)	(16,622,500)	(19,097,000)	(17,000,000)	-
Predicted kWh Purchases after CDM Adjustment	1,429,182,624	1,429,560,124	1,427,085,624	1,441,072,141	1,439,469,354
Purchases kWh Divide by Loss Factor 1.0404	1.0404	1.0404	1.0404	1.0404	1.0404
kWh to Allocate to Rate Classes	1,373,685,721	1,374,048,562	1,371,670,150	1,385,113,553	1,383,573,005

¹ WNH has used the actual 2009 kWh savings as representative of 2010, savings as per the 2006-2009 Final OPA CDM Results. Waterloo North Hydro Inc, December 1, 2010

Energy Probe Research Foundation Interrogatories

Table IR# 19 (a) - CDM Adjustments – Revised

Allocated to Rate Classes as follows:									
Weather Normalized after CDM & Residential Customer Adjustment	kWh Original Filing	kWh 1/4 Actual CDM Target	kWh CDM Strategy	2011 Weather Normal Updated OPA Savings	# Customers / Connections	Avg kWh / Customer Original	Avg kWh / 1/4 Final CDM Target	Avg kWh / Customer CDM Strategy	Avg kWh / Customer Updated OPA Savings
Residential									
2011	382,563,062	382,689,104	381,862,898	386,532,830	45,913	8,332	8,335	8,317	8,419
GS<50kW									
2011	175,321,434	175,379,197	175,000,562	177,140,704	5,412	32,393	32,404	32,334	32,730
GS>50kW									
2011	727,723,747	727,879,279	726,859,774	732,622,281	669	1,087,454	1,087,687	1,086,163	1,094,774
Large User									
2011	78,636,807	78,660,310	78,506,244	79,377,067	1	78,636,807	78,660,310	78,506,244	79,377,067
Street Lighting									
2011	7,792,006	7,792,006	7,792,006	7,792,006	13,374	583	583	583	583
USL									
2011	1,648,666	1,648,666	1,648,666	1,648,666	551	2,990	2,990	2,990	2,990
Total									
2011	1,373,685,721	1,374,048,562	1,371,670,150	1,385,113,553	65,921				

Allocated to Rate Classes as follows:									
Weather Normalized after CDM & Residential Customer Adjustment	kW Original Filing	kW 1/4 Actual CDM Target	kW CDM Strategy	2011 Weather Normal Updated OPA Savings	# Customers / Connections	Avg kW / Customer Original	Avg kW / 1/4 Final CDM Target	Avg kW / Customer CDM Strategy	Avg kWh / Customer Updated OPA Savings
GS>50kW									
2011	1,637,891	1,638,241	1,635,947	1,648,916	669	2,448	2,448	2,445	2,464
Large User									
2011	148,593	148,637	148,346	149,992	1	148,593	148,637	148,346	149,992
Street Lighting									
2011	21,547	21,547	21,547	21,547	13,374	2	2	2	2
Total									
2011	1,808,031	1,808,425	1,805,840	1,820,455					

Energy Probe Research Foundation Interrogatories

OPA Conservation & Demand Management Programs

Initiative Results at End-User Level

For: Waterloo North Hydro Inc.

Net Energy Savings (MWh)

#	Initiative Name	Program Name	Program Year	Results Status		2006	2007	2008	2009
35	Great Refrigerator Roundup	Consumer	2009	Final	#	0	0	0	287
36	Cool Savings Rebate	Consumer	2009	Final	#	0	0	0	289
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	#	0	0	0	503
38	peaksaver®	Consumer, Business	2009	Final	#	0	0	0	2
39	Electricity Retrofit Incentive	Business, Industrial	2009	Final	#	0	0	0	949
40	Toronto Comprehensive	Consumer Business, Industrial	2009	Final	#	0	0	0	0
41	High Performance New Construction	Business, Industrial	2009	Final	#	0	0	0	109
42	Power Savings Blitz	Business	2009	Final	#	0	0	0	2,212
43	Multi-Family Energy Efficiency Rebates	Business, Consumer Low-Income	2009	Final	#	0	0	0	0
44	Demand Response 1	Business, Industrial	2009	Final	#	0	0	0	95
45	Demand Response 2	Business, Industrial	2009	Final	#	0	0	0	903
46	Demand Response 3	Business, Industrial	2009	Final	#	0	0	0	17
47	Electricity Resources Demand Response	Business, Industrial	2009	Final	#	0	0	0	0
48	LDC Custom - Thunder Bay Hydro - Phantom Load	Consumer	2009	Final	#	0	0	0	0
49	LDC Custom - Toronto Hydro - Summer Challenge	Consumer	2009	Final	#	0	0	0	0
50	LDC Custom - PowerStream - Data Centres	Business	2009	Final	#	0	0	0	0
51	Toronto Comprehensive Adjustment	Business, Consumer	2008	Final	#	0	0	0	0
52	LDC Custom - Hydro One Networks Inc. - Double Return Adjustment	Business, Consumer	2008	Final	#	0	0	0	0
2006 Subtotal						3,673	3,673	3,673	3,673
2007 Subtotal						0	2,641	2,088	2,020
2008 Subtotal						0	0	2,554	2,307
2009 Subtotal						0	0	0	5,366
Overall Total						3,673	6,314	8,314	13,366

5,366

Energy Probe Research Foundation Interrogatories

- b) Please explain how the average use figures shown in Tale 3-14 have been adjusted for CDM.***

WNH incorrectly identified that the non-normalized forecast annual kWh usage per customer/connection reflected the CDM Adjustment.

- c) Please explain why the CDM target savings shown in Table 3-13A are in addition to the OPA savings for 2011.***

Please refer to IR # 19 (a). WNH has corrected the CDM OPA kWh Savings in 2010 and 2011 to reflect OPA Savings that will result from 2010 initiatives and activity. WNH has determined that 2009 actual savings is a representative proxy for 2010. The OPA released *2006-2009 Final OPA CDM Results. Waterloo North Hydro Inc* on December 1, 2010 and WNH has used the 2009 actual result.

Interrogatory # 20

Ref: Exhibit 3, page 25

- a) Please provide the trend analysis regression equations and statistics for each of the three rate class kW to kWh ratios.***

Please refer to Rows # 28 and 29 in WNH's Regression Model, tab "Rate Class Load Model" as filed in its August 27, 2010 submission, for the equations. It is our understanding from review of Microsoft Excel, that the "TREND" function does not provide statistics.

Energy Probe Research Foundation Interrogatories

- b) For any rate class where trend variable is not statistically significant at the 90% confidence level, please provide the average kW to kWh ratio over the 2003 through 2009 period and provide the revenue impact based on current rates if this average were to be used in place of the trend forecast for the rate class.**

Please refer to IR # 20 (a), it is our understanding from the review of Microsoft Excel, that the "TREND" function does not provide statistics.

- c) Please expand Table 3-19 to show the 2010 ratio for each rate class based on the most recent year-to-date information available.**

WNH has calculated the October 2010 Year-to-Date (Year) Ratio of kW to kWh. WNH notes that the figures below are unofficial internal data without full year end accruals and adjustments. WNH has also included a table below in which Billing kW per rate class for 2010 and 2011 were calculated on the basis of average percentage, and compared to the trend analysis WNH adopted. As can be seen, forecasting kW on the basis of average percentage does not yield reasonable results.

Table IR # 20 (b) – Table 3-19 Revised - Ratio of kW to kWh

Year	Ratio of kW to kWh			
	GS>50	Large User	St Lt	
2003	0.2716%	0.1840%	0.2792%	
2004	0.2602%	0.2061%	0.2903%	
2005	0.2565%	0.1965%	0.2756%	
2006	0.2462%	0.1962%	0.2792%	
2007	0.2418%	0.1910%	0.2812%	
2008	0.2401%	0.1900%	0.2770%	
2009	0.2413%	0.1887%	0.2792%	
2010 October YTD ¹	0.2450%	0.1930%	0.2936%	
2010 Trend Analysis	0.2303%	0.1898%	0.2773%	
2010 Trend Analysis	0.2251%	0.1890%	0.2765%	

¹ Based on Unofficial Internal Data

Energy Probe Research Foundation Interrogatories

Table IR# 20 (b) – Table 3-19 Forecast Based on Average Percentage vs. Trend Analysis

Year	GS>50		Large User		Streetlights	
	Trend Analysis	Average Percentage	Trend Analysis	Average Percentage	Trend Analysis	Average Percentage
2003	1,578,391	1,578,391	120,391	120,391	19,111	19,111
2004	1,578,377	1,578,377	136,143	136,143	19,526	19,526
2005	1,609,887	1,609,887	138,634	138,634	20,183	20,183
2006	1,625,474	1,625,474	144,512	144,512	20,478	20,478
2007	1,650,921	1,650,921	147,258	147,258	20,688	20,688
2008	1,665,645	1,665,645	145,766	145,766	20,906	20,906
2009	1,682,115	1,682,115	144,355	144,355	21,063	21,063
2010	1,653,058	1,806,670	148,840	152,080	21,257	21,485
2011	1,637,891	1,832,957	148,593	151,406	21,547	21,835
kW/kWh						
2003	0.2716%	0.2716%	0.1840%	0.1840%	0.2792%	0.2792%
2004	0.2602%	0.2602%	0.2061%	0.2061%	0.2903%	0.2903%
2005	0.2565%	0.2565%	0.1965%	0.1965%	0.2756%	0.2756%
2006	0.2462%	0.2462%	0.1962%	0.1962%	0.2792%	0.2792%
2007	0.2418%	0.2418%	0.1910%	0.1910%	0.2812%	0.2812%
2008	0.2401%	0.2401%	0.1900%	0.1900%	0.2770%	0.2770%
2009	0.2413%	0.2413%	0.1887%	0.1887%	0.2792%	0.2792%
2010	0.2303%		0.1898%		0.2773%	
2011	0.2251%		0.1890%		0.2765%	
Average						
		0.2511%			0.1932%	0.2802%

Interrogatory # 21

Ref: Exhibit 3, pages 32-37

- a) ***Please provide the most recent year-to-date revenues available for 2010 in the same level of detail as shown in Table 3-26. Please also provide the year-to-date revenues for the corresponding period in 2009.***

WNH has provided the October 2009 and 2010 revenues in the same level of detail as shown in Table 3-26. WNH notes that the figures below are unofficial internal data without full year end accruals and adjustments.

Energy Probe Research Foundation Interrogatories

Table IR # 21 (a) - Table 3-26 Format, October YTD 2009 and YTD 2010

USoA	Description	January to October 2009	January to October 2010
4235	Specific Service Charges	204,688	214,981
4225	Late Payment Charges	153,902	155,108
4082	RSVA Retail	16,220	16,220
4210	Rent from Electric Property	188,149	203,979
4220	Other Electric Revenues	6,230	11,223
4355	Gain on disposition of Utility and Other Property	23,984	64,935
4360	Loss on disposition of Utility and Other Property	(31,914)	(22,941)
4375	Revenues from Non-Utility Operations	2,169,230	1,358,646
4380	Expenses of Non-Utility Operations	(1,924,941)	(1,229,019)
4390	Miscellaneous Non-Operating Income	76,440	60,562
4405	Interest and Dividend Income	95,800	15,058
Total		\$ 977,788	\$ 848,752
Specific Service Charges		204,688	214,981
Late Payment Charges		153,902	155,108
Other Distribution Revenues		210,599	231,422
Other Income and Expenses		408,599	247,241
Total		\$ 977,788	\$ 848,752

b) The evidence on page 32 indicates that interest income on regulatory asset variance accounts is not included in the 2011 test year in Table 3-26. However, there is an adjustment in Table 3-26A that results in a reduction in revenue from account 4405 of \$73,998. Please explain.

WNH has provided 3 tables below from its original submission in order to demonstrate that regulatory interest income has been excluded as a revenue offset. Table 3-26 reflects the total interest and dividend income, Table 3-31 reflects the four amounts that comprise total interest and Table 3-26A reflects the removal of regulatory interest from the Revenue Offset.

USoA	Description	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge	2011 Test1
4235	Specific Service Charges	140,903	386,267	279,258	301,799	244,155	245,845
4225	Late Payment Charges	187,406	186,505	168,746	180,266	180,000	180,000
4082	RSVA Retail	39,718	16,500	17,842	19,464	25,000	26,000
4084	RSVA STR	3,635	-	-	-	-	-
4210	Rent from Electric Property	227,711	239,066	241,571	242,420	243,719	243,819
4220	Other Electric Revenues	33,512	26,516	21,670	6,197	9,000	9,000
4355	Gain on Disposition of Utility and Other Property	17,415	41,927	37,654	16,430	65,000	22,000
4360	Loss on Disposition of Utility and Other Property	-	-	-	52,127	20,000	-
4375	Revenues from Non-Utility Operations	1,447,163	1,662,789	1,574,461	2,991,041	2,024,211	2,078,894
4380	Expenses of Non-Utility Operations	(1,400,201)	(1,507,676)	(1,379,202)	(2,813,266)	(1,831,211)	(1,884,598)
4390	Miscellaneous Non-Operating Income	69,063	66,282	95,807	95,073	70,000	85,720
4405	Interest and Dividend Income	679,571	752,797	576,138	125,131	88,770	88,770
Total		1,445,896	1,870,972	1,633,946	1,112,428	1,098,644	1,095,450
Specific Service Charges		140,903	386,267	279,258	301,799	244,155	245,845
Late Payment Charges		187,406	186,505	168,746	180,266	180,000	180,000
Other Distribution Revenues		304,576	282,082	281,083	268,081	277,719	278,819
Other Income and Expenses		813,011	1,016,119	904,858	362,282	396,770	390,786
Total		1,445,896	1,870,972	1,633,946	1,112,428	1,098,644	1,095,450

Other Income and Expenses							
	USoA	Actual				Bridge	Test
		2006	2007	2008	2009	2010	2011
Gain on Disposal	4355	17,415	41,927	37,654	16,431	65,000	22,000
Loss on Disposal	4360	-	-	-	(52,127)	(20,000)	-
Street Light Capital & Maintenance Services	4375	715,303	473,345	347,918	856,064	637,082	691,524
Water & Sewer Billings 12	4375	652,945	681,515	720,602	690,371	-	-
Ontario Power Authority Programs Revenue	4375	-	274,413	278,747	1,235,080	1,235,080	1,235,080
Ontario Power Authority Incentive Revenue	4375	-	-	43,854	89,489	89,489	89,489
Meter Data Services	4375	22,296	194,994	139,158	69,126	58,000	58,000
Rental Revenue	4375	4,200	4,200	4,200	4,200	4,200	4,200
Locate Services	4375	5,442	-	-	-	-	-
Other	4375	15	213	1,437	13,449	360	600
Water & Sewer Late Payment Charges	4375	46,962	34,108	38,544	33,261	-	-
Expenses of Above Activities in 4375	4380	(1,400,201)	(1,507,676)	(1,379,202)	(2,813,266)	(1,831,211)	(1,884,598)
Sale of Scrap	4390	69,063	66,282	95,807	95,073	70,000	85,720
Bank Interest Income	4405	618,544	673,872	496,103	52,922	120	120
Loan Interest Income	4405	61,027	-	-	-	14,500	14,500
Other Interest Income	4405		8,644	2,577	28,782	152	152
Regulatory Interest Income	4405	-	70,282	77,459	43,427	73,998	73,998
Total		813,011	1,016,119	904,859	362,283	396,770	390,786
							88,770

Energy Probe Research Foundation Interrogatories

Table 3-26A – Original Submission

USoA	2011 Actual Revenue Differs from Revenue Offset by		
	Revenue Above		1,095,450
4355	Above	22,000	
	Revenue Offset - 50% to be included	11,000	
	Difference		11,000
4375	Above	2,078,894	
	Revenue Offset (not include OPA incentives)	1,989,405	
	Difference		89,489
4405	Above	88,770	
	Revenue Offset (not include Regulatory Interest Income)	14,772	
	Difference		73,998
			174,487
4080	SSS Administration Revenue		135,000
Revenue Offset			1,055,963

c) Please provide the assumptions and rates used to forecast the net 2011 revenue in account 4405 of \$14,772 used to calculate the base revenue requirement. Please provide the corresponding figures for 2006 through 2010.

The assumptions and rates used to forecast the net 2011 revenue in account 4405 are an invested balance of \$650,000 at 2.25% per annum to equate to \$14,772. The balance of \$650,000 was an estimated balance of interest earning investments and WNH had used this amount as a forecast proxy for 2010 and 2011.

WNH has provided the corresponding figures for 2006 through 2010 below. WNH notes that the forecast interest income is lower than prior years, which reflects WNH's depletion of its cash reserves and increasing its borrowing position.

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Table IR # 21 (c) - Net Interest Revenue Account 4405

Interest and Dividend Income	Actual				Bridge
	2006	2007	2008	2009	2010
Bank Interest Income	618,544	673,872	496,103	52,922	14,620
Loan Interest Income	61,027	-	-	-	-
Other Interest Income		8,644	2,577	28,782	152
Total before Regulatory Interest Income	679,571	682,516	498,680	81,704	14,772

d) Please provide the derivation of the \$22,000 gain on disposition of assets shown in account 4355.

As noted in Exhibit 3, page 37, WNH calculated the Gain for the 2011 Test Year as an average of 2007 through 2010. The calculation is reflected in the table below.

Table IR# 21 (d) - Calculation of 2011 Test Year Gain on Disposal

	USoA	Actual			Bridge	Test
		2007	2008	2009	2010	2011
Gain on Disposal	4355	41,927	37,654	16,431	65,000	22,000
Loss on Disposal	4360	-	-	(52,127)	(20,000)	-
Total		41,927	37,654	(35,696)	45,000	
Average of 2007- 2010						22,000

e) Please explain why only 50% of the capital gain in account 4355 is used to reduce the revenue requirement.

WNH followed 2006 EDR Handbook Section 4.6.1 Assets Sold to Non-Affiliates which states "The treatment of capital gains and losses on non-depreciable assets sold to a nonaffiliated will be determined by the Board on a case-by-case basis, subject to the materiality thresholds outlined in Section 4.2. A capital gain or loss that falls below the materiality threshold shall be shared between the ratepayers and the shareholders on a 50/50 basis in determining the revenue requirement." The gain of \$22,000 is below the \$150,000 materiality threshold that WNH is subject to.

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f) Did WNH share 50% of the capital gains with ratepayers shown in account 4355 in 2006 through 2010?

As WNH was subject to 2nd Generation IRM for the period 2007 to 2010, after its 2006 Cost of Service Filing, any items during this period are not subject to true up.

g) Please confirm that the figure of \$89,489 shown in Table 3-26A is solely related to OPA incentives. Are there any other revenues from the OPA included in the forecast? If yes, please quantify and identify where these revenues are shown.

WNH confirms that the \$89,489 shown in Table 3-26A is solely related to OPA incentives. Other Revenues from the OPA are included in Table 3-31 Ontario Power Authority Programs Revenue USoA 4375 in the amount of \$1,235,080 and a corresponding amount of (\$1,235,080) in Ontario Power Authority Programs Expenses is included in this table as a component of the (\$1,884,598) in USoA 4380.

h) Please provide the most recent year-to-date SSS Administration Revenue for 2010 and the amount for the corresponding period in 2009.

WNH has \$111,342 in SSS Revenue for January 1 to October 31, 2010 and had \$107,590 from January 1 to October 31, 2009.

i) Please provide the number of requests for duplicate invoices over the last 12 months for which information is available.

WNH has provided 167 duplicate invoices over the first 10 months in 2010.

j) Please provide the number of requests for income tax letters over the last 12 months for which information is available.

WNH has provided 17 income tax letters over over the first 10 months in 2010.

k) Why is Table 3-30 labelled Other Distribution Expenses?

WNH incorrectly labelled Table 3-30, it should have read Other Distribution Revenues.

Energy Probe Research Foundation Interrogatories

- l) Please explain why the revenues and costs (accounts 4375 and 4380) appear to add up to \$280,000 more in Table 3-31 than in Table 3-26.***

Table 3-26 was incorrectly presented in WNH's August 27, 2010 Submission, a corrected version, which includes the \$280,000 revenue and cost is reflected above in Table IR # 21 (b).

Interrogatory # 22

Ref: Exhibit 3, page 38

- a) Please explain why only 50% of any gain from the sale of the existing administration/service centre building and property would be shared with ratepayers.***

Please refer to Board Staff IR # 4 (d).

- b) The evidence indicates that the existing administration building and service centre is not included in rate base, nor any amortization expense, in 2011. Please explain whether or not the existing administration building and service centre, including land, has been removed from rate base at the end of 2010, the beginning of 2011 or the end of 2011.***

The existing administration building and service centre, including land, have been removed from rate base at the beginning of 2011.

Interrogatory # 23

Ref: Exhibit 3, page 39

Table 3-32 shows revenue of \$280,000 in 2011 for unaffiliated transactions.

- a) Is this the \$280,000 noted in Interrogatory #21, part (l) above?***

The \$280,000 street light revenue is related in IR # 21 (l).

- b) Please explain what transactions/services are included in unaffiliated transactions.***

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WNH provides street light construction services to developers and the Region of Waterloo, neither of which is an affiliate.

- c) *If the answer to a) is yes, please explain why the costs appear to also be \$280,000 resulting in no profit for the provision of the unaffiliated transactions.***

Upon further investigation for WNH's IR responses, it has determined that Return and PILs was incorrectly assigned to the affiliated street lighting activities. As noted in Exhibit 4, page 104, Appendix A, WNH recovers a 15% administration cost recovery charge on its billable work. The 15% is to compensate WNH for administrative costs, Return and PILs. WNH has, thus, revised Tables 3-1, 3-26, 3-26A, 3-32 and 3-31 to reflect this change.

WNH notes that Revised Table 3-1 also includes adjustments as a result of Board Staff IR # 10 and # 35 (a).

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Table IR # 23 (c) - Table 3-1 Revised

	2006 Board Approved	2006 Actual	2006 Actual vs. 2006 Board Approved	2007 Actual	2007 Actual vs. 2006 Actual	2008 Actual	2008 Actual vs. 2007 Actual	2009 Actual	2009 Actual vs. 2008 Actual	2010 Bridge	2010 Bridge vs. 2009 Actual	2011 Test	2011 Test vs. 2010 Bridge
Throughput Revenue													
Residential	12,584,541	12,474,198	(110,342)	13,161,992	687,793	13,269,383	107,391	13,405,234	135,852	13,085,005	(320,229)	15,705,681	2,620,676
GS<50	3,879,492	3,838,382	(41,110)	3,853,585	15,202	3,843,387	(10,197)	3,837,056	(6,331)	3,827,123	(9,933)	4,581,871	754,748
GS>50	6,879,858	7,031,351	151,493	7,370,276	338,925	7,461,869	91,593	7,368,609	(93,260)	7,343,079	(25,530)	8,391,936	1,048,856
Large User	699,447	695,052	(4,395)	646,219	(48,833)	607,186	(39,033)	714,805	107,619	481,496	(233,310)	581,384	99,889
Street Lighting	184,240	185,522	1,282	193,998	8,477	195,567	1,569	196,902	1,335	194,982	(1,920)	259,710	64,727
Unmetered Scattered Load	138,158	76,352	(61,806)	105,665	29,312	117,730	12,065	120,883	3,153	117,351	(3,532)	131,840	14,489
Embedded Distributor			-		-		-		-		-	846	846
Transformer Ownership Allowance	(744,464)	(759,210)	(14,746)	(776,514)	(17,304)	(776,374)	140	(776,628)	(254)	(776,628)	0	(672,628)	104,000
Other Distribution Charges													
Other Revenue													
Late Payment Charges	160,296	187,406	27,110	186,505	(901)	168,746	(17,759)	180,266	11,520	180,000	(266)	180,000	-
Specific Service Charges	304,646	140,903	(163,743)	386,267	245,364	279,258	(107,008)	244,566	(34,692)	244,155	(411)	245,845	1,690
Other Distribution Revenue	91,451	304,576	213,125	282,082	(22,494)	281,083	(998)	268,081	(13,002)	277,719	9,638	278,819	1,100
Other Income and Deductions	323,902	813,011	489,109	1,016,119	203,108	904,858	(111,261)	419,515	(485,343)	355,047	(64,468)	346,994	(8,053)
SSS Administration Charge	121,602	125,369	3,767	125,369	-	130,942	5,573	132,653	1,712	135,000	2,347	135,000	-
Low Voltage Charges	95,727	75,115	(20,612)	111,721	36,606	117,199	5,478	114,317	(2,882)	153,000	38,683	165,000	12,000
Total Operating Revenue	24,718,896	25,188,028	469,132	26,663,282	1,475,254	26,600,834	(62,448)	26,226,260	(374,574)	25,617,330	(608,930)	30,332,298	4,714,968

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Table IR # 23 (c) - Table 3-26 Revised

USoA	Description	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge	2011 Test ¹
4235	Specific Service Charges	140,903	386,267	279,258	244,566	244,155	245,845
4225	Late Payment Charges	187,406	186,505	168,746	180,266	180,000	180,000
4082	RSVA Retail	39,718	16,500	17,842	19,464	25,000	26,000
4084	RSVA STR	3,635	-	-	-	-	-
4210	Rent from Electric Property	227,711	239,066	241,571	242,420	243,719	243,819
4220	Other Electric Revenues	33,512	26,516	21,670	6,197	9,000	9,000
4355	Gain on Disposition of Utility and Other Property	17,415	41,927	37,654	16,430	65,000	22,000
4360	Loss on Disposition of Utility and Other Property	-	-	-	(52,127)	(20,000)	-
4375	Revenues from Non-Utility Operations	1,447,163	1,662,789	1,574,461	2,991,041	1,982,488	2,035,102
4380	Expenses of Non-Utility Operations	(1,400,201)	(1,507,676)	(1,379,202)	(2,813,266)	(1,831,211)	(1,884,598)
4390	Miscellaneous Non-Operating Income	69,063	66,282	95,807	152,306	70,000	85,720
4405	Interest and Dividend Income	679,571	752,797	576,138	125,131	88,770	88,770
Total		1,445,896	1,870,972	1,633,946	1,112,428	1,056,921	1,051,658
Specific Service Charges		140,903	386,267	279,258	244,566	244,155	245,845
Late Payment Charges		187,406	186,505	168,746	180,266	180,000	180,000
Other Distribution Revenues		304,576	282,082	281,083	268,081	277,719	278,819
Other Income and Expenses		813,011	1,016,119	904,858	419,515	355,047	346,994
Total		1,445,896	1,870,972	1,633,946	1,112,428	1,056,921	1,051,658

Table IR # 23 (c) - Table 3-26A Revised

USoA	2011 Actual Revenue Differs from Revenue Offset by - Revised		
	Revenue Above		1,051,658
4355	Above	22,000	
	Revenue Offset - 50% to be included	11,000	
	Difference		11,000
4375	Above	2,035,102	
	Revenue Offset (not include OPA incentives)	1,945,613	
	Difference		89,489
4405	Above	88,770	
	Revenue Offset (not include Regulatory Interest Income)	14,772	
	Difference		73,998
			174,487
			(174,487)
4080	SSS Administration Revenue		135,000
Revenue Offset			1,012,171

Energy Probe Research Foundation Interrogatories

Table IR # 23 (c) - Table 3-32 Revised

Street Lighting Revenue Determination	Actual				Bridge	Test
	2006	2007	2008	2009	2010	2011
Street Lighting Capital & Maintenance Revenue ¹³	298,912	409,737	281,976	369,317	350,359	367,733
Unaffiliated Transactions	416,391	63,608	65,942	486,747	245,000	280,000
Total Street Lighting Revenue	715,303	473,345	347,918	856,064	595,359	647,733

¹³ Revenue from City of Waterloo and the Townships of Wellesley & Woolwich

Table IR # 23 (c) - Table 3-31 Revised

Other Income and Expenses - Revised							
	USoA	Actual				Bridge	Test
		2006	2007	2008	2009	2010	2011
Gain on Disposal	4355	17,415	41,927	37,654	16,431	65,000	22,000
Loss on Disposal	4360	-	-	-	(52,127)	(20,000)	-
Street Light Capital & Maintenance Services	4375	715,303	473,345	347,918	856,064	595,359	647,733
Water & Sewer Billings ¹²	4375	652,945	681,515	720,602	690,371	-	-
Ontario Power Authority Programs Revenue	4375	-	274,413	278,747	1,235,080	1,235,080	1,235,080
Ontario Power Authority Incentive Revenue	4375	-	-	43,854	89,489	89,489	89,489
Meter Data Services	4375	22,296	194,994	139,158	69,126	58,000	58,000
Rental Revenue	4375	4,200	4,200	4,200	4,200	4,200	4,200
Locate Services	4375	5,442	-	-	-	-	-
Other	4375	15	213	1,437	13,449	360	600
Water & Sewer Late Payment Charges	4375	46,962	34,108	38,544	33,261	-	-
Expenses of Above Activities in 4375	4380	(1,400,201)	(1,507,676)	(1,379,202)	(2,813,266)	(1,831,211)	(1,884,598)
Sale of Scrap	4390	69,063	66,282	95,807	95,073	70,000	85,720
Property Tax Rebate for Previous Years'	4390	-	-	-	57,233	-	-
Bank Interest Income	4405	618,544	673,872	496,103	52,922	120	120
Loan Interest Income	4405	61,027	-	-	-	14,500	14,500
Other Interest Income	4405	-	8,644	2,577	28,782	152	152
Regulatory Interest Income	4405	-	70,282	77,459	43,427	73,998	73,998
Total		813,011	1,016,119	904,859	419,515	355,047	346,994

¹² WNH ceased Water & Billing Services for the City of Waterloo in 2010

Energy Probe Research Foundation Interrogatories

Interrogatory # 24

Ref: Exhibit 2, Table 2-24

How has WNH incorporated the annual peak demand savings target of 15.790 MW as shown in the EB-2010-0215/EB-2010-0216 Decision and Order dated November 12, 2010 into the cost of power forecast in Table 2-24?

Please refer to Board Staff IR # 8 (b).

Interrogatory # 25

Ref: Exhibit 4, page 5

What is the amount of funding required by WNH related to LEAP? Would this amount be incremental to the \$10,000 donation noted on page 5 or in place of this amount?

Please refer to Board Staff IR # 17 (b).

Interrogatory # 26

Ref: Exhibit 4, Table 4-1

Please provide the most recent year-to-date OM&A expenses for 2010 in the same level of detail as shown in Table 4-1. Please also provide the year-to-date expenses for 2009 for the corresponding period.

WNH has provided the OM&A expenses at October 2009 and October 2010 in the table below. WNH notes that the figures below are unofficial internal data without full year end accruals and adjustments.

Energy Probe Research Foundation Interrogatories

Table IR # 26 - OM&A Expenses YTD at October 2009 and October 2010

OM&A Expenses	January to October 2009 Actual	January to October 2010 Actual
Operation	2,743,366	2,965,211
Maintenance	973,463	1,212,017
Billing and Collections	1,322,613	1,774,434
Community Relations	138,792	158,265
Administrative and General Expenses	2,144,074	1,742,006
Total OM&A Expenses	7,322,308	7,851,933

Interrogatory # 26

Ref: Exhibit 4, Table 4-4

- a) Based on actual levels of employees in place up to and including the current time, please indicate the number of FTEEs for 2010.**

WNH currently has 114.5 FTEEs for 2010.

- b) Please indicate the number of vacant positions currently in place at WNH.**

WNH currently has 2 vacancies.

Interrogatory # 27

Ref: Exhibit 4, Table 4-5

- a) How much of the increase in 2011 as compared to 2010 in Operation costs is related to the increase in FTEEs and how much is related to the increase in wages and benefits of existing employees?**

WNH calculates the increase in 2011 Operations costs related to the increase in FTEES that would perform operating activities to be approximately \$59,700. The related increase in wages and benefits of existing employees that perform operating work can only be calculated in reference to the operating labour in 2010 and is increased by the negotiated wage settlement. WNH does not have a dedicated crew that only works on operating tasks, the tasks vary from year to year. The related wage and benefit increase in 2011, applicable to the 2010 labour dollars is approximately \$65,000.

Energy Probe Research Foundation Interrogatories

b) How much of the increase in 2010 as compared to 2009 in Maintenance costs is related to the increase in FTEEs and how much is related to the increase in wages and benefits of existing employees?

WNH calculates the increase in 2010 Maintenance costs related to the increase in FTEES that would perform maintenance activities to be approximately \$18,100. The related increase in wages and benefits of existing employees that perform maintenance work can only be calculated in reference to the maintenance labour in 2009 and is increased by the negotiated wage settlement. WNH does not have a dedicated crew that only works on maintenance tasks, the tasks vary from year to year. The related wage and benefit increase in 2010, applicable to the 2009 labour dollars is approximately \$ 25,000.

c) How much of the increase in 2010 as compared to 2009 in Billing and Collecting costs is related to the increase in FTEEs and how much is related to the increase in wages and benefits of existing employees? Please also indicate how much of the increase is related to WNH no long billing for water and sewer services.

WNH does not have any increases in FTEEs in 2010 in the Billing and Collecting costs, there is a forecasted decrease of one-half of one position in 2010. The approximate increase for existing employees due to the negotiated wage increase, is approximately \$32,000. The loss of offsetting revenues of \$560,000 from the billing of water and sewer services has resulted in an increase in billing and collecting costs of a similar amount.

d) When does WNH expect to begin collecting meter reads from its smart meters? How has WNH factored this into its forecast for meter reading expenses?

In this application WNH is not seeking any cost recovery for smart meters, thus, standard distribution rates do not reflect the deployment of smart meters. WNH expects to start using reads from its smart meters to bill customers on time of use rates commencing in June 2011.

Energy Probe Research Foundation Interrogatories

- e) Please explain what is driving the significant increase in Community Relations - Sundry in 2010 and 2011 as compared to the levels recorded in 2007 through 2009.***

The primary driver of the increase in Community Relations – Sundry is the communication that will be required to advise and educate our customers regarding time-of-use billing. The costs include advertising in newspapers and on radio, customer newsletters and website development for these initiatives.

- f) What is the annual percent increase for non-union employees in 2010 and 2011? What is the associated dollar figure of these increases in these years?***

The annual percent increase for non-union employees in 2010 and 2011 is 3%. The associated dollar figure of the increases is approximately \$77,000 in 2010 and \$89,000 in 2011.

- g) Other than the annual increase noted in part (f) above, what is driving the increase of more than 12% in General Administrative Salaries and Expenses?***

Please refer to Exhibit 4, page 44 in WNH's August 27, 2010 submission.

Interrogatory # 28

Ref: Exhibit 4, Table 4-7

Has the price for the service shown for the 2011 test year of \$100,957 been removed from the OM&A expenses included in the revenue requirement or has the \$100,957 been included as part of the non-distribution revenues?

WNH has removed the \$100,957 from the 2011 Test Year OM&A expenses.

Interrogatory # 29

Ref: Exhibit 4, Table 4-7A

- a) Please show the calculations and assumptions used to calculate the profit on street lighting of \$36,222 for 2011, including, but not limited to the calculation of the rate base used to provide these services.***

Please refer to IR # 23 (c).

Energy Probe Research Foundation Interrogatories

b) Please show how the PILS amount of \$7,570 has been calculated.

Please refer to IR # 23 (c).

Interrogatory # 30

Ref: Exhibit 4, page 48

Please provide a breakdown of the \$160,000 in costs associated with the 2011 rate application between legal assistance, consulting costs, intervenor costs, Board costs and any other costs related to the application. Please also provide the legal and consulting costs invoiced to date.

Please refer to Board Staff IR # 15 (b) for the breakdown of costs associated with the 2011 rate application. The consulting costs invoiced to date are \$58,000; no legal costs have been invoiced to date.

Interrogatory # 31

Ref: Exhibit 4, page 51

Please indicate how many of the positions noted on page 51 are eligible for the Federal or Provincial Apprenticeship Training Tax Credit in 2011.

Eight of the positions noted on page 51 are eligible in 2011.

Interrogatory # 32

Ref: Exhibit 4, page 53

How many employees does WNH currently have?

WNH currently has 115 employees; this figure does not include temporary employees.

Energy Probe Research Foundation Interrogatories

Interrogatory # 33

Ref: Exhibit 4, page 66

How many students eligible for the Co-Operative Education Tax Credit does WNH forecast to have in 2011?

WNH has three students forecast to be eligible for the Co-operative Education Tax Credit in 2011.

Interrogatory # 34

Ref: Exhibit 4, Tables 4-24 & 4-25

- a) Please confirm that the column labelled "Closing Balance 2009" in these two tables should be "Closing Balance 2010" and "Closing Balance 2011".***

WNH confirms that the column labelled "Closing Balance 2009" in these two tables should be "Closing Balance 2010" and "Closing Balance 2011".

- b) Please confirm that the Total for Depreciation (column (e)) in Table 4-25 does not reflect figures based on the calculation shown in the heading.***

WNH confirms that the calculation does not reflect the column heading shown, it should have shown " $(e) = (c - c1 + c2) + d$ ".

- c) Please confirm that the depreciation expense shown in column (h) in Table 4-25 has been calculated as if the calculation in the heading of column (e) had been used. If this cannot be confirmed for all accounts, please provide a revised table.***

WNH confirms that the depreciation expense in column (h) in Table 4-25 has been calculated as $(h) = (e) / (f)$, the calculation of (e) is as described in IR # 34 (b).

Interrogatory # 35

Ref: Exhibit 4, pages 75-81

The adjustments to the depreciation expense shown for 2006 through 2010 total a reduction in depreciation expense of more than \$680,000.

Energy Probe Research Foundation Interrogatories

- a) ***Please confirm that the net impact on the 2011 rate base is an increase of approximately \$680,000 as a result of these adjustments. If this cannot be confirmed, please provide an estimate of the impact on the 2011 rate base of the adjustments shown for 2006 through 2010 along with an explanation.***

WNH has performed a detailed analysis of the differences between the Board's model and WNH's calculation of depreciation. As detailed below, in the past WNH changed the number of years that the assets were being depreciated over, during the life of the asset. This change in the number of years of depreciation does not allow the comparison to the Board's model, which assumes that the number of years of depreciation has never changed. WNH performed a comparison between the Board's methodology and WNH's depreciation calculations for the period 2006 to 2010 and the results are detailed below. WNH has not under depreciated these assets; the Board's model does not take into account changes in the number of years of depreciation. In addition to the difference of \$574,128 due to methodology changes, WNH had capitalized expenditures from WIP that did not have depreciation recorded in the year of acquisition, in the amount of \$100,244, the two amounts combine for a difference of \$674,372.

Table IR # 35 (a) - Depreciation Differences

Summary of Depreciation Differences	
Depreciation difference due to change in number of depreciation years	574,128
Items capitalized from WIP, no depreciation recorded	100,244
Total Depreciation Differences	674,372

Description	USoA	# Years Depreciation		WNH Depreciation less than Board Model					Total
		Previous	Current	2006	2007	2008	2009	2010	
Municipal Substations	1808	60	50	(384)	(384)	(384)	(384)	(384)	(1,922)
Service Centre Building	1808	60	50	10,837	10,837	10,837	10,837	10,837	54,183
Transformer Stations Building	1808	60	50	479	479	479	479	479	2,394
Transformer Station Equipment	1815	50	40	16,038	16,038	16,038	16,038	16,038	80,189
Municipal Substation Equipment	1820	19	30	3,388	3,388	3,388	3,388	3,388	16,940
Underground Conductor & Device	1845	35	25	(6,197)	(6,197)	(6,197)	(6,197)	(6,197)	(30,985)
Underground Conduit	1840	35	25	23,187	23,187	23,187	23,187	13,324	106,073
Overhead Transformer	1850	30	25	15,382	15,382	15,382	3,925	-	50,071
Underground Transformer	1850	30	25	1,279	1,279	1,279	1,279	1,279	6,395
Services Underground Commercial	1855	35	25	3,723	3,723	3,723	3,723	3,723	18,614
Services Underground Residential	1855	35	25	25,740	25,740	25,740	25,740	10,001	112,962
Meters - Residential	1860	35	25	10,259	10,259	10,259	10,259	10,259	51,293
Equipment - SCADA	1980	25	15	21,584	21,584	21,584	21,584	21,584	107,922
Total Depreciation difference due to Change in Depreciation Year				125,314	125,314	125,314	113,856	84,330	574,128

Energy Probe Research Foundation Interrogatories

- b) Please provide a more detailed explanation of the "timing and allocation issues" that necessitated these adjustments.***

Please refer to IR # 35 (a).

Interrogatory # 36

Ref: Exhibit 4, page 84

The evidence indicates that the 2009 figure of \$590,047 in service centre building maintenance costs represent a normal year for building maintenance.

- a) Please explain the increase forecast for 2011 to \$944,555.***

Please refer to SEC IR # 15, as noted the 2011 forecast included in the application was \$721,741. The chart showed \$944,555 in error.

- b) Why is WNH spending an unusually high amount in 2011 when the building will cease to be used in 2011?***

Please refer to SEC IR # 15. The building will be occupied for the majority of 2011 and occupancy expenses, including property taxes, insurance and utilities, will continue to the end of 2011.

- c) What is the estimated annual cost of building maintenance associated with the new facility being constructed?***

The estimated cost of operating the new facility is \$795,000; the increase in the size of the building will result in higher property taxes and insurance.

Energy Probe Research Foundation Interrogatories

Interrogatory # 37

Ref: Exhibit 4, page 87

Please provide the current year-to-date costs for 2010 associated with the purchasing/stores department. Please also provide the figure from 2009 for the corresponding period.

WNH has provided the year-to-date (YTD) November 2009 and 2010 in the table below. WNH notes that the figures below are unofficial internal data without full year end accruals and adjustments.

Table IR # 37 - Purchasing/Stores

	YTD NOV 2009	YTD NOV 2010
Labour	247,518	280,271
Training & Development	4,152	2,008
Material	6,463	5,790
Equipment	2,645	3,243
Material Variances	4,044	7,106
Reel Costs	(9,973)	49,925
Transportation	1,918	4,078
Depreciation	9,966	10,065
Building Cost	73,426	70,069
Other	1,651	2,294
Total	341,809	434,849

Interrogatory # 38

Ref: Exhibit 4, pages 88-90

- a) Please confirm that the Ontario surtax claw-back on the first \$500,000 of taxable income was eliminated effective July 1, 2010 and that the provincial income tax rate on the first \$500,000 of taxable income was reduced to 4.50%.***

WNH confirms that the Ontario surtax claw-back on the first \$500,000 of taxable income was eliminated effective July 1, 2010 and that the provincial income tax rate on the first \$500,000 of taxable income was reduced to 4.50%.

Energy Probe Research Foundation Interrogatories

- b) ***Has WNH included a tax reduction of \$36,250 related to the Ontario small business tax rate on the first \$500,000 in taxable income (calculated as \$500,000 times the difference between 11.75% and 4.50%)? If not, why not?***

WNH has not included a tax reduction of \$36,250 related to the Ontario small business tax rate on the first \$500,000 in taxable income, as WNH was not aware of the tax reduction at the time of the submission of the application.

Interrogatory # 39

Ref: Exhibit 4, pages 88-92

- a) ***Please provide a calculation of the Federal Apprenticeship Job Creation Tax Credit, showing the number of eligible positions and the amount that can be claimed for each position for the 2011 test year.***

WNH forecasts 8 eligible positions at \$10,000 for the 2011 test year.

- b) ***Please confirm that the Ontario Co-Operative Education Tax Credit was enhanced as of March 27, 2009 from a 10% refundable credit to a maximum of \$1,000 per work placement to a 25% refundable credit to a maximum of \$3,000 per work placement.***

WNH confirms that the Ontario Co-Operative Education Tax Credit was enhanced as of March 27, 2009 from a 10% refundable credit to a maximum of \$1,000 per work placement to a 25% refundable credit to a maximum of \$3,000 per work placement.

- c) ***Please confirm that the Ontario Apprenticeship Training Tax Credit was enhanced as of March 27, 2009 from a 25% refundable tax credit to a maximum annual credit of \$5,000 during the first 36 months of an apprenticeship program, to a 35% refundable tax credit to a maximum annual credit of \$10,000 during the first 48 months of an apprenticeship program.***

WNH confirms that the Ontario Apprenticeship Training Tax Credit was enhanced as of March 27, 2009 from a 25% refundable tax credit to a maximum annual credit of \$5,000 during the first 36 months of an apprenticeship program, to a 35% refundable tax credit to a maximum annual credit of \$10,000 during the first 48 months of an apprenticeship program.

Energy Probe Research Foundation Interrogatories

d) Based on the responses to parts (a), (b) and (c), along with the number of eligible positions requested in Interrogatories #31 and #33 above, please recalculate the total related tax credits available to WNH for 2011.

WNH recalculates its tax credits available to WNH for 2011 as \$80,000 for the Federal Apprenticeship Job Creation Tax Credit and \$8,997 for the Ontario Co-operative Education Tax Credit, for a total of \$88,997.

Interrogatory # 40

Ref: Exhibit 4, Table 4-35

Please explain why the 2011 capital expenditures of \$349,544 for computer hardware have been placed in CCA Class 10 rather than CCA Class 55.

WNH has been claiming computer software in CCA Class 52, as described below, however, this CCA rate class ends in January 2011, thus, WNH has placed computer hardware in CCA Class 10 for 2011.

“Include in Class 52 with a CCA rate of 100% (with no half year rule) general purpose electronic data processing equipment (commonly called computer hardware) and systems software for that equipment, including ancillary data processing equipment if acquired after January 27, 2009, and before February 2011.”

WNH consulted its tax experts and were advised that effective February 2011, computer hardware would be placed in Class 50 rather than in Class 10.

Interrogatory # 41

Ref: Exhibit 4, page 89

Please explain why WNH does not have any Cumulative Eligible Capital for 2011 despite additions land rights (account 1806) being accumulated over the years and being shown as eligible for the CEC on the electronic versions of the continuity schedules provided.

WNH has been claiming CEC in Class 1b in its tax returns, the CCA on land rights was inadvertently omitted in the 2011 Test Year.