

**Donald D. Rennick Interrogatories**  
**2011 IRM3 Electricity Distribution Rates**  
**North Bay Hydro Distribution Inc. ("North Bay")**  
**EB-2010-0102**

*1. 2011 IRM Rate Generator.xls – Sheet F1.1*

Is the price escalator amount of 1.30% shown in cell E22 supplied by the OEB? In any event, please indicate the sources used to calculate this figure.

*2. IRM Deferral & Variance Account.xls – Sheet C1.3*

Are the interest amounts calculated on this sheet imputed interest? Please explain how these interest amount balances are calculated and how they affect the rates charged to consumers by NBHDL.

In addition, the sheet indicates a sunset date of April 30, 2011 for the Smart Meter Rider, currently being charged at a monthly rate of \$1.47, and the 2011 IRM Rate Generator.xls makes not mention of the Smart Meter Rider in the proposed rate sheet. However, the Manager's Summary indicates that the rider will continue to be collected. Please explain.

*3. IRM Deferral & Variance Account.xls – Sheet B1.3*

Please explain the fact that similar figures appear in cells J25 and M25 and also in cells J28 and M28.

*4. IRM3 Shared Tax Savings.xls – Sheet F1.3*

Only 50% of the assumed tax savings are credited when calculating the proposed rates. Please explain the reasoning for withholding 50% of the tax savings from consumers. The manager's summary indicates that the Board approved the income and capital tax amounts in the 2010 rate application when in fact those tax amounts are simply a function of the revenue and

expenditures approved by the Board. The tax savings are simply a result of a reduction in the tax rates and outside the control of the Board and as such should be passed on to consumers in their entirety.