

December 11, 2007

Ontario Energy Board P.O. Box 2319 26th Floor, 2300 Yonge Street Toronto, Ontario M4P 1E4 Attention: Board Secretary

Dear Sir/Madam:

RE:

TILLSONBURG HYDRO INC.

2008 Incentive Rate Mechanism (2008 IRM) Rate Application

Staff Interrogatories

Board File Number EB-2007-0860

Please find attached Tillsonburg Hydro Inc.'s responses to the Board Staff Interrogatories dated December 10, 2007 for the above proceeding.

Yours truly,

W. John Gott, CA

Finance Regulatory Affairs Manager

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2008 Incentive Rate Mechanism Application Ontario Energy Board Staff Interrogatories for Tillsonburg Hydro Inc. — EB-2007-0860

For each of the interrogatories below, please clarify whether this was an error, confirming what the correct entry should have been, or provide a complete explanation for the discrepancies. The format of the response should repeat the references and interrogatories.

Ref.: 2008 IRM Model, Sheet 3 (2007 Tariff Sheet)

1. Monthly Rates and Charges for General Service 500 to 4,999 kW

A review of Tillsonburg Hydro's current 2007 Board approved Tariff of Rates and Charges indicates that the retail transmission rate – network service rate, line and transformation connection service rate should be applied on an interval metered basis, however your 2008 model does not reflect this.

Response:

THI agrees that the noted rates per the 2007 Board approved Tariff of Rates and Charges are to be applied on an interval meter basis. As the 2008 IRM model automatically generated the line detail, a change would have been a customization of the model. THI agrees that the line should be modified to indicate that the rates are applied to customers on interval meters.

2. Monthly Rates and Charges for Unmetered Scattered Load

A review of Tillsonburg Hydro's current 2007 Board approved Tariff of Rates and Charges indicates that the service charge is applied on a "per connection" basis, however your 2008 model does not reflect this.

Response:

THI agrees that the service charge per the 2007 Board approved Tariff of Rates and Charges is applied on a per connection basis. As the 2008 IRM model automatically generated the line detail, a change would have been a customization of the model. THI agrees that the line should be modified to indicate that the rate is applied on a per connection basis.

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3. Monthly Rates and Charges for Sentinel Lighting

A review of Tillsonburg Hydro's current 2007 Board approved Tariff of Rates and Charges indicates that the service charge is applied on a "per connection" basis, however your 2008 model does not reflect this.

Response:

THI agrees that the service charge per the 2007 Board approved Tariff of Rates and Charges is applied on a per connection basis. As the 2008 IRM model automatically generated the line detail, a change would have been a customization of the model. THI agrees that the line should be modified to indicate that the rate is applied on a per connection basis.

- 4. Monthly Rates and Charges for Street Lighting
 - (a) A review of Tillsonburg Hydro's current 2007 Board approved Tariff of Rates and Charges indicates that the service charge is applied on a "per connection" basis, however your 2008 model does not reflect this.

Response:

THI agrees that the service charge per the 2007 Board approved Tariff of Rates and Charges is applied on a per connection basis. As the 2008 IRM model automatically generated the line detail, a change would have been a customization of the model. THI agrees that the line should be modified to indicate that the rate is applied on a per connection basis.

(b) A review of Tillsonburg Hydro's current 2007 Board approved Tariff of Rates and Charges indicates that the service charge (per connection) should be \$1336.76, however your 2008 model does not reflect this.

Response:

The amount of \$1,336.78 in the 2008 IRM as filed was an error. THI agrees that the service charge per the 2007 Board approved Tariff of Rates and Charges is \$1,336.76 and that the 2008 IRM application should be updated accordingly.

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5. Specific Service Charges for Allowances

A review of Tillsonburg Hydro's current 2007 Board approved Tariff of Rates and Charges indicates that the transformer allowance for ownership is applied on a "\$/kW" basis, however your 2008 model does not reflect this.

Response:

The selection of "\$" was an error. THI agrees that the transformer allowance for ownership is applied on a "\$/kW" basis and the 2008 IRM application should be updated accordingly.