

December 11, 2007

Ontario Energy Board P.O. Box 2319, 27th Floor 2300 Yonge Street Toronto, ON M4P 1E4

Attention: Ms. Kristen Walli, Board Secretary

Dear Ms. Walli:

Re: E.L.K. Energy Inc. 2008 Incentive Regulation Mechanism (2008 IRM) Rate Application Board File Number EB-2007-0840

In response to Board Staff Interrogatories for the above proceeding, please find the responses below:

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

1. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the Retail Transmission Rates (Network Service Rate and Line and Transformation Connection Service Rate) for the General Service 50 to 4,999 kW-Time of Use class include the descriptor "Interval Metered", however your 2008 model does not reflect this.

Response: This is an error, the correction is: Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.9468
Metered Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.7942

2. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the service charge for the Unmetered Scattered Load class is applied on a "per connection" basis, however your 2008 model does not reflect this.

Response: This is an error, the correction is: Service Charge (per connection)

\$ 5.60

0.40

\$

3. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the service charge for Sentinel Lighting class is applied on a "per connection" basis, however your 2008 models does not reflect this.

Response: This is an error, the correction is: Service Charge (per connection)

4. A review of your current 2007 Board approved Tariff of rates and Charges indicates that the Distribution Volumetric Charge and Regulatory Asset Recovery charge for the Sentinel Lighting class are applied on a "\$/kW" basis, however your 2008 model does not reflect this.

Response: This is an error, the correction is: Distribution Volumetric Rate

5. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that both Retail Transmission Rates (Network Service Rate and Line and Transformation Connection) for Sentinel Lighting class are applied on a "\$/kW" basis, however your 2008 model does not reflect this.

Response: This is an error, the correction is:Retail Transmission Rate – Network Service Rate\$/kWRetail Transmission Rate – Line and Transformation Connection\$/kW1.2813Service Rate

6. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the service charge for the Street Lighting class is applied on a "per connection" basis, however your 2008 model does not reflect his.

Response: This is an error, the correction is: Service Charge (per connection)

\$ 0.01

 A review of your current 2007 Board approved Tariff of Rates and Charges indicates that for Specific Service Charges that there is a \$165, "Service call – after regular hours" charge, however your 2008 model (Sheet 3, Cell C428) does not reflect this.

Response: This is an error, sheet 3 cell C428 should reflect:Service call – after regular hours\$ 165.00

8. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that for Specific Service Charges that there is a \$1000, "Temporary service install & remove – overhead – with transformer", however, your 2008 model (Sheet 3, Cell C431) does not reflect this.

Response: This is an error, sheet 3 cell C431 should reflect:	
Temporary Service – Install & remove – overhead – with	\$ 1000.00
transformer	

9. A review of your 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: This is an error, the correction is:Transformer Allowance for Ownership – per kW of billing\$/kW (0.60)demand/month\$/kW

Ref.: 2008 Model, Sheet 6 (K-factor Derivation):

10. A review of your 2006 Board Approved PILs Model indicates that the PILS Allowance is "\$353,774", however, your 2008 models does not reflect his.

Response: This is an error, the correction is: PILs Allowance

353,774

\$/kW 0.7596

Please do not hesitate to contact me if I can be of further assistance: Sandra Slater 172 Forest Ave Essex ON N8M 3E4 Phone: 519-776-5291 x13 Fax: 519-776-5640 E-mail: sslater@elkenergy.com

Regards,

Sandra Slater, CA Director of Finance