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BY E-MAIL

December 20, 2007

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Newbury Power Inc.
2008 Incentive Regulation Mechanism (2008 IRM) Rate Application
Board File Number EB-2007-0864**

Please find attached Board Staff Interrogatories for the above proceeding.

Yours truly,

Original Signed By

David Brown
Senior Policy Advisor, Regulatory Policy Development

c. Ken Frederickson, Newbury Power Inc.

Encl.

**2008 Incentive Rate Mechanism Application
Ontario Energy Board Staff Interrogatories for
Newbury Power Inc. — EB-2007-0864**

For each of the interrogatories below, please provide a complete explanation. Where applicable, clarify whether there were errors, confirming what the correct entry should have been, or justify the noted discrepancies. The format of the response should repeat the references and the interrogatories.

Ref.: Manager's Summary, pages 2 and 3

1. Regulatory Asset Recovery

- a. The Board approved 2006 EDR amount indicates a debit balance of \$111,361 while your manager's summary reflects a debit balance of \$109,878. Please provide a detailed explanation supporting this discrepancy.
- b. Does the proposed amount include interest? If so, up to what period?
- c. If applicable, please confirm that the interest was calculated in accordance with accounting guidance provided in the Ontario Energy Board Accounting Procedures Handbook Frequently Asked Questions issued in April 2004.
- d. Please provide the calculations including any assumptions for the derivation of the rate rider unit rates.
- e. Please provide the rationale for proposing that the regulatory asset debit balance be recovered over a 4 year period.
- f. Newbury Power states that as a result of implementing the regulatory asset and low voltage rate riders, the total bill impact would exceed 10% for residential, general service less than 50 kW, and general service greater than 50 kW. However, with the inclusion of the transmission and connection rate reduction, you indicated that the impact on the total bill would be less than the maximum threshold of 10%.

Please provide the total bill impact for these customer rate classes when incorporating the effect of your RTS proposal.

2. Low Voltage

- a. Please confirm that a debit balance of \$22,170.51 was approved by the Board in the 2006 EDR.
- b. Does the proposed amount include interest? If so, up to what period?

If applicable, please confirm that the interest was calculated in accordance with accounting guidance provided in the Ontario Energy Board Accounting Procedures Handbook Frequently Asked Questions issued in April 2004.

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

3. Monthly Rates and Charges for Street Lighting

A review of your 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.

4. Monthly Rates and Charges for Non Payment of Account

- a. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the “Collection of Account charge – no disconnection” is applied on a “\$” basis, however your 2008 model does not reflect this.
- b. A review of your current 2007 Board approved Tariff of Rates and Charges indicates that there is a \$165, “Service call - after regular hours” charge, however your 2008 model does not reflect this. Instead, the “Install/Remove load control device – After regular hours” charge was selected, which does not appear in your current 2007 Board approved Tariff of Rates and Charges.

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

5. A review of your 2006 Board Approved EDR Model indicates that the Rate Base is “\$211,883”, however your 2008 model does not reflect this.
6. A review of your 2006 Board Approved EDR Model indicates that the Distribution Expenses (other than PILs) is “\$69,839”, however your 2008 model does not reflect this.
7. A review of your 2006 Board Approved EDR Model indicates that the Base Revenue Requirement is “\$79,245”, however your 2008 model does not reflect this.
8. A review of your 2006 Board Approved PILs Model indicates that the OCT (Rate Base less \$10,000,000 X 0.30%) is “0”, however your 2008 model does not reflect this.