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February 11, 2011

BY EMAIL AND COURIER

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St, Suite 2701  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2010-0136**  
**Kingston Hydro Corporation – 2011 Cost of Service Application**  
**Evidence Update – Energy Probe Interrogatories**

Pursuant to Procedural Order No. 2, issued January 18, 2011, please find attached the Evidence Update Interrogatories of Energy Probe Research Foundation (Energy Probe) in the EB-2010-0136 proceeding.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

*Original signed by*

David S. MacIntosh  
Case Manager

cc: Randy Murphy, Kingston Hydro (By email)  
Andrew Taylor, Energy Law (By email)  
Randy Aiken, Aiken & Associates (By email)  
Interested Parties (By email)

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**Ontario Energy Board**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by Kingston Hydro  
Corporation for an order approving just and reasonable rates and  
other charges for electricity distribution to be effective May 1,  
2011.

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**EVIDENCE UPDATE INTERROGATORIES OF  
ENERGY PROBE RESEARCH FOUNDATION  
("ENERGY PROBE")**

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**February 11, 2011**

**KINGSTON HYDRO CORPORATION  
2011 RATES REBASING CASE  
EB-2010-0136**

**ENERGY PROBE RESEARCH FOUNDATION  
EVIDENCE UPDATE INTERROGATORIES**

**Interrogatory # 50**

**Ref: Updated Evidence of February 4, 2011, Appendix A**

- a) How does Kingston Hydro prioritize the capital projects shown in Table 1?
- b) Please provide a prioritization of the projects (and their costs) shown in Table 1 from the highest priority to the lowest priority.

**Interrogatory # 52**

**Ref: Updated Evidence of February 4, 2011, Appendix A**

**With respect to the Substation No. 3 Circuit Breakers Project, please provide the following:**

- a) The date upon which Kingston Hydro was advised that the 5kV breakers at this substation were obsolete and not repairable.
- b) Do all 11 of the circuit breakers need to be replaced at the same time, or can the circuit breakers be replaced one at a time over a period of time, using the breakers that are replaced as backup for those not replaced? Please explain.

**Interrogatory # 53**

**Ref: Updated Evidence of February 4, 2011, Appendix B**

- a) Please provide the monthly balances forecast that result in the average amount of Kingston Hydro funds in the City's bank account of \$5,579,323.
- b) What was the amount of Kingston Hydro funds in the City's bank account at the end of 2010?

- c) Has Kingston Hydro sought to place some of the funds held in the City's bank account into short term investments that pay a rate higher than price less 165 basis points? If not, why not?

**Interrogatory # 54**

**Ref: Updated Evidence of February 4, 2011, Appendix B**

**Please provide a copy of the latest invoices received for insurance expenses for the 2011 test year. Please also provide all of the invoices received for insurance expenses in the 2010 bridge year.**

**Interrogatory # 55**

**Ref: Updated Evidence of February 4, 2001, Appendix D**

- a) Please confirm the following figures related to the adjustments for taxable income:

		Historical	Bridge	Test
Additions	Reserves from financial statements - balance at end of year	1,174,887	1,254,336	1,544,435
Deductions	Reserves from financial statements - balance at beginning of year	<u>1,140,247</u>	<u>1,174,887</u>	<u>1,254,336</u>
Net Impact on Taxable Income		34,640	79,449	290,099

- b) Please explain the significant increase in the net impact on taxable income in the test year relative to the historical and bridge figures shown.
- c) How has the increase in the reserves from the financial statements forecast for the test year been forecast? In particular, what are the drivers behind the increase?