Hydro One Brampton Networks Inc.

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January 15, 2008

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

Dear Ms. Walli,

Re: <u>Hydro One Brampton Networks Inc.</u>

Board File No. EB-2007-0882

2008 Incentive Regulation Mechanism (2008 IRM) Rate Application
Ontario Energy Board Staff Interrogatories

In response to the Ontario Energy Board's ("the Board") letter dated December 28, 2007, Hydro One Brampton Networks Inc. ("Hydro One Brampton") submits its responses to the Board Staff Interrogatories for the above proceeding for the applicant and any intervenors.

Please find attached with this letter:

Two (2) paper copies of Hydro One Brampton's responses to the Board Staff Interrogatories for the 2008 Incentive Mechanism (2008 IRM) Rate Application as well as copies of the print screen of the online confirmation holding the RESS submission reference number for Hydro One Brampton's responses the Ontario Energy Board Staff Interrogatories. We would be pleased to provide any additional information that the Board requires in review of Hydro One Brampton's responses to the Board Staff Interrogatories. If additional information is required please contact the undersigned.

Sincerely,

Lett Mills

Scott Miller
Regulatory Affairs Manager
Hydro One Brampton Networks Inc.
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(905) 452-5504

Roger A. Albert, President & CEO, Hydro One Brampton Networks Inc.
Jamie Gribbon, Vice President of Finance & Administration, Hydro One Brampton Networks Inc.

Encl.

2008 Incentive Rate Mechanism Application Ontario Energy Board Staff Interrogatories for Hydro One Brampton Networks Inc. – EB-2007-0082

Ref.: Manager's Summary, Smart Meter Rate Rider

1. You wrote that "In addition to the above, Appendix E also identifies a permanent capital rate adjustment of \$0.12 per month per customer. This adjustment is applied to Tab 4 of the IRM Model Spreadsheet." You entered \$0.79 per metered customer per month in cells F17 to F21 of Sheet 4 of your 2008 IRM model. Please confirm that this amount is based on the sum of your approved 2007 smart meter rate adder of \$0.67 per metered customer per month plus the above mentioned \$0.12 per metered customer per month.

RESPONSE:

This is correct. The \$0.79 per metered customer per month in cells F17 to F21 of Sheet 4 of our 2008 IRM model is the summation of our approved 2007 smart meter rate adder of \$0.67 per metered customer per month plus the permanent capital rate adjustment of \$0.12 per metered customer per month.

2. You wrote that "A credit of \$0.09 per month per customer is applied to the monthly service charge of the customer classes that have a smart meter rate rider applied to them." Please confirm that this is the amount you entered on sheet 9 of your 2008 IRM model.

RESPONSE:

Hydro One Brampton confirms that the amount entered on Sheet 9 of our 2008 IRM Model Spreadsheet is a **credit** of \$0.09.

3. Please confirm that the (\$0.09) per month smart meter rate rider you are proposing is to be effective from May 1, 2008 to April 30, 2009.

RESPONSE:

Hydro One Brampton confirms that the proposed (\$0.09) per month smart meter rate rider is to be effective from May 1, 2008 to April 30, 2009.

Ref.: Smart Meter Model Dated November 1, 2007

4. On row 160 of sheet 2, the Total OM&A costs for actual expenditures up to April 30, 2007 is \$24,000. A review of the Board Decision with Reasons dated August 8, 2007 (re: EB-2007-0063) shows that the Board approved OM&A costs for Hydro One Brampton Networks Inc. (Hydro One Brampton) was \$8000 for expenditures up to May 31, 2007. Please explain the discrepancy.

RESPONSE:

On June 8th, 2007 Hydro One Brampton filed evidence in support of Costs incurred Associated with Minimum Functionality of the Advance Metering Infrastructure EB-2007-0063. In this filing we claimed \$8,000 in error. On June 11, 2007 we filed an amendment with the Board identifying that "The total operating costs, including OM&A, financing costs and depreciation expense, was identified as \$8,000. This number has been amended to \$24,000."

We noticed that the Board's August 8^{th} , 2007 decision EB 2007-0063 did not revise these numbers to reflect our amended amount. On August 21^{st} , 2007 Hydro One Brampton staff requested confirmation that the Board did receive our amendment. On October 4^{th} , 2007 Hydro One Brampton did receive confirmation from Board staff that the OEB did receive our amendment. It was not until after the filing of the rate application that we were advised that the Board did not accept the amended amount of \$24,000. As a result, the rate application reflects the \$24,000 that we specified on June 11^{th} , 2007.

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

5. Monthly Rates and Charge for 700 to 4,999 kW

A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the Service Charges in rows 190 and 191 should include the descriptor "-Interval Metered".

RESPONSE:

Agreed

6. Monthly Rates and Charges for Large Use

A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the Service Charges in rows 206 and 207 should include the descriptor "-Interval Metered".

RESPONSE:

Agreed

7. Monthly Rates and Charges for Unmetered Scattered Load

A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the Service Charge should include the descriptor "(per customer)".

RESPONSE:

Agreed

January 15, 2008

8. Monthly Rates and Charges for Standby Power

A review of your current 2007 Board approved Tariff of Rates and Charges indicates that on row 266, the descriptor should be "Standby Charge – for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of generation facility)".

RESPONSE:

Agreed

9. Monthly Rates and Charges for Embedded Distributor

A review of your current 2007 Board approved Tariff of Rates and Charges indicates that on row 282, the descriptor should be "Distribution Wheeling Service Rate".

RESPONSE:

Agreed