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August 30, 2011

BY EMAIL & 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-2011-0123**  
**Guelph Hydro Electric Systems Inc. – 2012 Cost of Service Application**  
**Energy Probe – Interrogatories**

Pursuant to Procedural Order No. 1, issued by the Board on August 5, 2011, please find attached the Interrogatories of Energy Probe Research Foundation (Energy Probe) in the EB-2011-0123 proceeding.

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

Yours truly,

David S. MacIntosh  
Case Manager

cc: Cristina Birceanu, Guelph Hydro Electric Systems (By email)  
James Sidlofsky, Borden Ladner Gervais LLP (By email)  
Randy Aiken, Aiken & Associates (By email)  
Intervenors of Record (By email)

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**Energy Probe Research Foundation** 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

Phone: (416) 964-9223 Fax: (416) 964-8239 E-mail: [EnergyProbe@nextcity.com](mailto:EnergyProbe@nextcity.com) Internet: [www.EnergyProbe.org](http://www.EnergyProbe.org)

**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 Guelph Hydro  
Electric Systems Inc. for an order approving just and  
reasonable rates and other charges for electricity distribution to  
be effective January 1, 2012.

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

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**August 30, 2011**

**GUELPH HYDRO ELECTRIC SYSTEMS INC.  
2012 RATES REBASING CASE  
EB-2011-0123**

**ENERGY PROBE RESEARCH FOUNDATION  
INTERROGATORIES**

**Issue 2.1      Is the proposed rate base for the test year appropriate?**

**Interrogatory # 1**

**Ref:    Exhibit 2, Tab 1, Sch. 2**

- a) Please indicate which years shown in Table 3 are based on CGAAP and which are based on MIFRS.**
- b) What is the impact on rate base between the last year shown in CGAAP and the first year shown in MIFRS?**

**Interrogatory # 2**

**Ref:    Exhibit 2, Tab 1, Sch. 3**

- a) Please explain the reduction in contributions and grants from \$4.3 million in 2009 and \$3.4 million in 2010 to \$2.7 million in 2011 and \$2.4 million in 2012.**
- b) Please explain why there were no contributions and grants recorded in 2008.**
- c) How many months of actual data were included for 2011 in Table 8?**
- d) Please update Table 8 to reflect the most recent year to date actuals for 2011 along with the forecast for the remainder of the year.**
- e) What is the status of the transformer station construction? Is the current expectation that it will be in service before the end of 2011?**
- f) Please explain why there is no computer software shown in 2008 through 2010.**
- g) Please explain why no additions to computer software are shown in Table 8 for 2011 yet the opening balance is \$0 and the closing balance is \$1,114,457.**

- h) Please explain why there is no depreciation shown for computer software in Table 8.**
- i) Please explain how the depreciation of \$74,297 shown in Table 9 for 2012 for computer software has been calculated and please explain the 15 year life used.**

### **Interrogatory # 3**

**Ref: Exhibit 2, Tab 1, Sch. 3, page 3**

**The evidence indicates that the impact of MIFRS on the net book value in 2010 is a reduction of \$2,762,000.**

- a) Is this the reduction in the capital expenditures, or the reduction in the capital expenditures adjusted for the change in depreciation?**
- b) Please provide an estimate of the reduction in capital expenditures for 2008 and 2009 had MIFRS been in place for those years as well.**

**Issue 2.2 Is the working capital allowance for the test year appropriate?**

### **Interrogatory # 4**

**Ref: Exhibit 2, Tab 3, Sch. 3, Table 15**

- a) Please show the calculation of the cost of power of \$113,541,279 using the RPP and HOEP prices shown.**
- b) Please show the derivation of the RPP and HOEP prices based on the references provided. In particular, please show the weightings used to derive each price.**
- c) Please update the calculation of the cost of power to reflect the April, 2011 RPP Price Report and update the other costs shown to reflect updated rates (if applicable). Please show all calculations.**

**Issue 2.3      Is the capital expenditure forecast for the test year appropriate?**

**Interrogatory # 5**

**Ref:    Exhibit 2, Tab 1, Sch. 1, page 2**

- a) Please provide the actual provincial sales tax included in 2008, 2009 and 2010 capital expenditures and provide this amount as a percentage of the totals in each of these years.**
- b) Please provide the estimated amount of provincial sales tax included in the 2011 and 2012 capital expenditures.**

**Interrogatory # 6**

**Ref:    Exhibit 2, Tab 4, Sch. 1, page 1**

- a) When was the 2011 capital budget used in the application approved by the full Board of Directors?**
- b) When was the 2012 capital budget used in the application approved by the full Board of Directors?**
- c) Have there been any changes to either the 2011 or 2012 capital budget that have been used in the application that has not been approved by the Board of Directors? If yes, please provide details.**

**Interrogatory # 7**

**Ref:    Exhibit 2, Tab 4, Sch. 3, Appendix A**

- a) Please update the table on page 1 of Appendix A to reflect the most recent year-to-date figures available and the forecast for the remainder of the year.**
- b) For each project shown on pages 3 through 16 please indicate whether the project has been completed and placed into service. For all projects that have not yet been completed and placed into service, please indicate the in-service date based on the most recent information now available.**
- c) Has Guelph Hydro included the Victoria Road, Arkell to McCallister project shown on page 9 in the 2011 rate base? If yes, please explain why.**

- d) How has Guelph Hydro treated the revenue to be received from the disposition of the vehicles shown in the table on page 18?**
- e) Is the wholesale metering installation still expected to be completed by the end of December 2011?**
- f) Please explain what the 2011 and 2012 expenditures for the ERP AS400 conversion project shown on Table 20 are related to. What portion of the expenditures will be placed into service in each of 2011 and 2012?**
- g) Can any of the expenditures shown in Appendix A for 2011 be deferred to 2012 or beyond? Please explain.**

**Interrogatory # 8**

**Ref: Exhibit 2, Tab 4, Sch. 4, Appendix B**

**Can any of the expenditures shown in Appendix B for 2012 be deferred to 2013 or beyond? Please explain.**

**Issue 3.1 Is the load forecast methodology including weather normalization appropriate?**

**Interrogatory # 9**

**Ref: Exhibit 3, Tab 2, Sch. 1, pages 5 & 7**

**Please provide the regression results in the same format as that shown on page 5, but using a HDD base of 18° C.**

**Issue 3.2 Are the proposed customers/connections and load forecasts (both kWh and kW) for the test year appropriate?**

**Interrogatory # 10**

**Ref: Exhibit 3, Tab 2, Sch. 1, Table 1**

- a) Are the averages for the customer/connection counts based on the average of the beginning and the end of the year, or a weighted average of the monthly numbers?**

- b) Please provide the most recent year-to-date figures that are available for 2011 for the billed GWh's and the customer/connection count. Please also provide the figures for the corresponding periods in 2008, 2009 and 2010.

**Interrogatory # 11**

**Ref: Exhibit 3, Tab 2, Sch. 1, Table 4**

**Please explain why the actual and predicted column figures are identical for 1998 through 2010.**

**Interrogatory # 12**

**Ref: Exhibit 3, Tab 2, Sch. 1, page 16**

**Please show how the 20 year trend HDD and CDD variables were determined.**

**Interrogatory # 13**

**Ref: Exhibit 3, Tab 2, Sch. 1, Table 4**

**Please confirm that the 2012 forecast shown in Table 4 reflects the impact of the leap year in 2012. If it does not, please provide the 2012 forecast reflecting the 20th day in February 2012.**

**Interrogatory # 14**

**Ref: Exhibit 3, Tab 2, Sch. 1, Tables 8 & 11**

- a) Please provide the average number of customers/connections for the most recent year-to-date period in 2011 and for the corresponding period in 2010 for each rate class shown in Table 8.
- b) Please provide the average usage per customer/connection for the most recent year-to-date period in 2011 and for the corresponding period in 2010 for each rate class shown in Table 11.

**Interrogatory # 15**

**Ref: Exhibit 3, Tab 2, Sch. 1, Tables 15 & 16**

**Please explain why Tables 15 and 16 show data from 2003 through 2010 rather than from 2002 as stated in the evidence. If 2002 data is available, please provide revised Tables 15 and 16.**

**Issue 3.3 Is the impact of CDM appropriately reflected in the load forecast?**

**Interrogatory # 16**

**Ref: Exhibit 3, Tab 2, Sch. 1, page 8**

- a) How does the kW reduction shown in the table at the bottom of page 8 and the resulting overall kW forecast impact on the revenue forecast, the cost of power or any other component of the revenue requirement?**
- b) How does the overall kW forecast impact on the capital expenditure forecast?**

**Issue 3.5 Is the test year forecast of other revenues appropriate?**

**Interrogatory # 17**

**Ref: Exhibit 3, Tab 4, Sch. 2, Appendix 2-C**

- a) Please provide a table in the same level of detail as shown on page 1 that shows the actual year-to-date revenue for each account and the corresponding revenue from the same period in 2010.**
- b) Please explain why the figures for Account 4235 in 2010 do not match in the tables shown on page 1 and 4.**
- c) Please provide a table in the same level of detail as shown on page 4 that shows the actual year-to-date revenue for each line item and the corresponding revenue from the same period in 2010.**
- d) Are any of the expenses shown in Account 4380 included in the OM&A expenses for the test year?**
- e) Are there any expenses included in OM&A for the 2012 test year associated with the generation of any other distribution revenue? If yes, please quantify and explain.**



- f) What expenses are associated with the revenue of \$1,040,815 shown in the test year for the provision of billing/collecting waterworks? Where are these expenses shown in Account 4380 and elsewhere in the evidence?

**Interrogatory # 18**

**Ref: Exhibit 3, Tab 4, Sch. 2, Appendix 2-C**

- a) Please explain why the revenue for street light maintenance in Account 4375 is equal to the associated expenses in Account 4380.
- b) Do the expenses associated with street light maintenance in Account 4380 include a return and depreciation on the assets used to perform street light maintenance? If not, why not?
- c) What is the fully allocated amount of rate base used in the provision of street light maintenance?
- d) Do the expenses associated with street light maintenance in Account 4380 include all wages, salaries and benefits associated with the provision of these services?
- e) Has Guelph Hydro included an overhead rate associated with the assets to provide these services, and if so, is it at the same rate that is applicable to other services?

**Issue 4.1 Is the overall OM&A forecast for the test year appropriate?**

**Interrogatory # 19**

**Ref: Exhibit 2, Tab 1, Sch. 1, page 2**

- a) Please provide the actual provincial sales tax included in 2008, 2009 and 2010 OM&A expenditures and provide this amount as a percentage of the totals in each of these years.
- b) Please provide the estimated amount of provincial sales tax included in the 2011 and 2012 OM&A expenditures.

**Interrogatory # 20**

**Ref: Exhibit 4, Tab 1, Sch. 1**

- a) When was the OM&A budget for 2011 used in this application approved by the Board of Directors?**
- b) When was the OM&A budget for 2012 used in this application approved by the Board of Directors?**
- c) Have any changes been made to the 2011 and/or 2012 OM&A budgets from that approved by the Board of Directors?**

**Interrogatory # 21**

**Ref: Exhibit 4, Tab 2, Sch. 2, page 2 &  
Exhibit 4, Tab 1, Sch. 1**

- a) The table shown on page 2 does not appear to be correct since the 3% union increase is shown for the executive class and there are no costs or inflation figures shown for management, non-union and union. Please provide a corrected version of this table.**
- b) What inflation factor has been applied to all other general and administrative expenses in each of 2011 and 2012? Is this the GDP-IPI factor noted on page 1 of Exhibit 4, Tab 1, Schedule 1?**
- c) What is the basis for the GDP-IPI forecasts for 2011 and 2012?**
- d) What is the 2010 expenditures to which the GDP-IPI forecast is applied to arrive at a 2011 figure?**
- e) What is the 2011 expenditures to which the GDP-IPI forecast is applied to arrive at the 2012 figure?**
- f) Please provide a table similar to that shown on page 2 of Exhibit 4, Tab 2, Schedule 2 for 2011.**

**Interrogatory # 22**

**Ref: Exhibit 4, Tab 2, Sch. 2, page 1 &  
Exhibit 4, Tab 4, Sch. 1, page 2**

**Please distinguish between the cost associated with the Green Energy and Economy compliance noted in footnote 3 to the table on page 1 of Exhibit 4, Tab 2, Schedule 2 and the costs of complying with the GEA that Guelph Hydro has not included in the 2012 cost of service application (page 2 of Exhibit 4, Tab 4, Schedule 1).**

**Interrogatory # 23**

**Ref: Exhibit 4, Tab 2, Sch. 2, page 1**

**Please explain the additional increase between 2011 and 2012 of \$109,664 that is attributable to IFRS. Why is there any increase in 2012 as a result of IFRS when the transition takes place in 2011?**

**Interrogatory # 24**

**Ref: Exhibit 4, Tab 2, Sch. 3, page 1**

**Please identify the amount of amortization included as OM&A in the 2012 test year.**

**Interrogatory # 25**

**Ref: Exhibit 4, Tab 2, Sch. 5, page 2**

**Please provide a table in the same level of detail as shown in the table on page 2 of Exhibit 4, Tab 2, Schedule 5 that shows the actual expenditures for the most recent year-to-date period available for 2011, along with the actual expenditures for the corresponding period in 2010. Please also include a bottom line adjustment to the year-to-date 2011 expenditures to back out the additional costs resulting from moving to IFRS so that the resulting 2011 figure is comparable to that for 2010.**

**Interrogatory # 26**

**Ref: Exhibit 4, Tab 2, Sch. 5, pages 16-17**

**What is the final balance as of April 30, 2011 in Account 1521 - Special Purpose Charge?**

**Interrogatory # 27**

**Ref: Exhibit 4, Tab 2, Sch. 2, page 1**

**Footnote 2 to the table indicates that there is an increase of more than \$1 million to the 2012 OM&A forecast related to smart meter expenditures in 2010, 2011 and 2012. Of the total amount shown, more than \$700,000 is for 2010 and 2011.**

- a) Please reconcile the \$1,059,613 figure with the figure of \$926,286 shown in the table for 2012.**
- b) Were any of the costs shown for 2010 and 2011 in footnote 2 included in deferral or variance accounts? If yes, please provide details. If yes, please explain why these costs are added to the 2012 OM&A expenses rather than recovered through the clearance of the appropriate deferral or variance accounts.**
- c) Are the costs shown for 2010 and 2011 and proposed to be recovered in the 2012 revenue requirement ongoing costs beyond 2012? If yes, please explain. If they are one-time costs being recovered in 2012, please explain why they should not be amortized over 4 years.**
- d) Is the \$358,302 shown for 2012 an ongoing cost for 2013 and later?**

**Issue 4.2 Are the methodologies used to allocate shared services and other costs appropriate?**

**Interrogatory # 28**

**Ref: Exhibit 1, Tab 1, Sch. 14, pages 2-4**

**Are any costs associated with the Board of Directors of Guelph Hydro Inc. or Ecotricity Guelph included in the revenue requirement of Guelph Hydro? If yes, please provide the amount and what it relates to.**

**Issue 4.3      Is the proposed level of depreciation/amortization expense for the test year appropriate?**

**Interrogatory # 29**

**Ref:    Exhibit 4, Tab 2, Sch. 10, pages 2-7**

- a) Please explain the significant differences between the depreciation expense shown in column (h) and the Adjusted DEPRECIATION Rate App column for each of 2008, 2009 and 2010.**
- b) Please confirm that for financial reporting purposes and for regulatory purposes, Guelph Hydro did not use the half year rule for new additions in 2008, 2009 and 2010.**
- c) Please show how the F/S depreciation expense was calculated using Account 1835 in 2010 as an example. The F/S depreciation expense is shown as \$822,916.58 based on an opening balance of \$17,035,390 and 201 additions of \$844,820.**
- d) Please explain why there are no entries in column (b) to reflect reduction for fully depreciated assets in 2008 through 2012.**

**Interrogatory # 30**

**Ref:    Exhibit 2, Tab 1, Sch. 3, Tables 8 & 9 &  
Exhibit 4, Tab 2, Sch. 10, Appendix 2-M, pages 8 & 9 &  
Exhibit 1, Tab 2, Schedule 6, page 8**

- a) Please explain the difference in the depreciation expense shown for 2011 and 2012 between Tables 8 & 9 in Exhibit 2, Tab 1, Schedule 3 and on pages 8 & 9 of Exhibit 4, Tab 2, Schedule 10, Appendix 2-M.**
- b) Please reconcile the difference between the figures noted in part (a) above with the figure of \$6,831,714 shown on page 8 of the RRWF in Exhibit 1, Tab 2, Schedule 6 for 2012.**
- c) What would be the depreciation expense for 2011 if Guelph Hydro continued to use the rates used in 2010. Please provide detailed tables for 2011 in the same format as shown for 2010 in Exhibit 4, Tab 2, Schedule 10, Appendix 2-M. In particular, please provide both the depreciation expense as calculated in column (h) and the adjusted 2011 depreciation rate app that is consistent with what the financial statements would have produced, with any relevant adjustments.**

### **Interrogatory # 31**

**Ref: Exhibit 4, Tab 2, Sch. 10 &  
Exhibit 4, Tab 2, Sch. 10, Appendix A**

- a) Please provide a summary table in the same level of detail as shown on pages 3 through 6 of Exhibit 4, Tab 2, Schedule 10 that shows the proposed useful life from this exhibit, along with the minimum, typical and maximum useful life from pages 20 through 24 of Appendix A to Exhibit 4, Tab 2, Schedule 10.**
- b) For each line item in the table requested in part (a) above, please provide the opening balance at the beginning of 2012.**
- c) For each line item in the table requested in part (a) please explain how Guelph Hydro selected the proposed useful life in relation to the maximum, minimum and typical figures from the Kinetrics study.**
- d) Please provide a table similar to Appendix 2-M for 2012 if the proposed useful lives of all assets were set to the typical figure from the Kinetrics study.**

**Issue 4.4 Are the 2012 compensation costs and employee levels appropriate?**

### **Interrogatory # 32**

**Ref: Exhibit 4, Tab 2, Sch. 5 &  
Exhibit 4, Tab 2, Sch. 2**

- a) Please provide a revised version of the tables shown on page 18 that include a line that shows the number of customers per FTEE.**
- b) Please provide a revised version of the tables from part (a) above that reduces the 2011 and 2012 OM&A expenses by the amounts shown in the OM&A cost driver table shown on page 1 of Exhibit 4, Tab 2, Schedule 2.**
- c) Do the FTEE figures shown in the tables on page 18 of Exhibit 4, Tab 2, Schedule 5 include vacancies? If these figures do include vacancies, please provide revised tables that show FTEE's based on filled positions only.**
- d) Do the forecasts for FTEE's for 2011 and 2012 include any vacant positions? If yes, have any costs been included for wages and benefits associated with these vacant positions?**
- e) How many FTEE's does Guelph Hydro have at the current time, excluding vacant positions?**

**Issue 4.5      Is the test year forecast of property taxes appropriate?**

**Interrogatory # 33**

**Ref:    Exhibit 4, Tab 3, Sch. 3**

- a) Please explain the significant increase in property taxes forecast for the 2011 bridge year. How has Guelph Hydro forecast the increase of 33.4%?**
- b) Does Guelph Hydro have the final property tax bills for 2011? If yes, please provide the total property tax bill for 2011. If no, please provide a table showing the change in property taxes for each individual property owned by Guelph Hydro, along with the projected property tax for any new properties.**

**Interrogatory # 34**

**Ref:    Exhibit 4, Tab 2, Sch. 1, Table 1 &  
Exhibit 4, Tab 3, Sch. 3, Table 19**

- a) Please reconcile the property tax figures shown in the above references for 2008, 2009 and 2010.**
- b) Please explain why there are no property taxes shown in Table 1 of Exhibit 4, Tab 2, Schedule 1 for 2011 and 2012 while there are in Tale 19 of Exhibit 4, Tab 3, Schedule 3.**

**Issue 4.6      Is the test year forecast of PILs appropriate?**

**Interrogatory # 35**

**Ref:    Exhibit 4, Tab 3, Sch. 1, pages 2-3**

- a) Did Guelph Hydro claim an SR&ED credit in 2010? If so, please indicate the amount. Does it plan to claim an SR&ED credit in the bridge or test years?**
- b) Please calculate the amount of the PILS reduction associated with an SR&ED claim of \$100,000 in the 2012 test year, including the 25% paid to the third party consultant for preparation of the claim, and the taxable amount to which the 2012 tax rate is applied. Is the amount paid to the third party consultant deductible for tax purposes? Please show all calculations and assumptions.**

**Interrogatory # 36**

**Ref: Exhibit 4, Tab 3, Sch. 1, Table 15**

**Ontario Co-operative Education & Apprenticeship Training Credits are shown for 2008 and 2009.**

- a) Please explain why no credits are shown for 2010?**
- b) Do these credits include the federal job training tax credits? If not, why not?**
- c) Has Guelph Hydro included the calculation of any co-operative education and/or apprenticeship training tax credits in the 2012 tax calculation? If not, why not?**
- d) Please provide the number of positions eligible for each of the Ontario co-operative education tax credit, the Ontario apprenticeship training tax credit and the federal job training tax credit in 2012. Please also show the calculations and the amount of the tax credits for each category, including all assumptions used.**

**Interrogatory # 37**

**Ref: Exhibit 4, Tab 3, Sch. 1, page 2 &  
Exhibit 4, Tab 3, Sch. 2, page 28**

**Please show how the calculation of the reduction in PILS related to the Ontario Small Business Deduction has been incorporated into the PILS forecast.**

**Interrogatory # 38**

**Ref: Exhibit 4, Tab 3, Sch. 2 &  
Exhibit 2, Tab 1, Sch. 3, Table 8**

- a) Please explain the difference between the 2011 capital additions of \$19,562,000 shown in Table 8 of Exhibit 2, Tab 1, Schedule 3 and the 2011 CCA additions of \$21,191,828 shown in Table 17 of Exhibit 4, Tab 3, Schedule 2.**



- b) Please explain why computers and systems hardware have been added to CCA Class 45 rather than Class 45.1 in both 2011 and 2012 (Tables 17 & 18 in Exhibit 4, Tab 3, Schedule 2). What is the impact on the test year CCA deduction if the amounts shown are moved into Class 45.1 in both 2011 and 2012?**
- c) Please confirm that the UCC Prior Year Ending Balance shown in Table 17 is taken from the actual 2010 tax return. If this cannot be confirmed, please update Tables 17 and 18 to reflect the actual 2010 UCC Ending Balance.**
- d) What was the balance at the end of 2010 for reserves from financial statements shown on the actual 2010 PILS tax return (as compared to the \$7,123,453 shown on page 13)?**

**Interrogatory # 39**

**Ref: Exhibit 4, Tab 3, Sch. 3, Appendix A**

**Please file the 2010 Federal and Ontario Tax Returns**

**Issue 5.2 Is the proposed long term debt rate appropriate?**

**Interrogatory # 40**

**Ref: Exhibit 5, Tab 1, Sch. 3**

- a) Did Guelph Hydro approach Infrastructure Ontario about obtaining a portion of the financing required to finance new expenditures at the time it was negotiating the rate shown on page 1 of Appendix A? If not, why not? If yes, what was the 20 year rate available to Guelph Hydro from Infrastructure Ontario?**
- b) How did Guelph Hydro determine that a 20 year term was appropriate to the long term loan of \$65 million? Did it consider a number of loans of different terms? If not, why not?**

**Issue 6.2      Is the proposed disposition of the balances in variance accounts 1555 and 1556 appropriate?**

**Interrogatory # 41**

**Ref:    Exhibit 9, Tab 3, Sch. 1, Appendix B**

**With regards to the calculation of the CCA for computer equipment shown on page 8 please explain:**

- a)    why computer hardware and software have been combined together;**
- b)    why a rate of 100% has been used for 2009 and 2010 along with the half year rule when the half year rule was not applicable over this time period for computer hardware; and,**
- c)    why a CCA rate of 55% is applicable to computer software in 2011.**

**Issue 6.3      Is the proposal related to stranded meters appropriate?**

**Interrogatory # 42**

**Ref:    Exhibit 9, Tab 3, Sch. 1**

**What is the impact by rate class if the proposed recovery of stranded meter costs is changed to 2 years? to 1 year?**

**Issue 7.1      Is Guelph Hydro's cost allocation appropriate?**

**Interrogatory # 43**

**Ref: Exhibit 7, Tab 1, Sch. 2, page 4**

**What evidence does Guelph Hydro have to support the 10 connections per connection box for the street lighting class that is specific to the Guelph Hydro?**

**Issue 7.2      Are the proposed revenue to cost ratios for each class appropriate?**

**Interrogatory # 44**

**Ref:    Exhibit 7, Tab 1, Sch. 2, page 4 of 2**

- a) Please amend the table shown on this page to include the description of each rate class along with the Board approved range for each rate class.
- b) Please provide an alternative table that shows the impact of moving those rate classes above the Board approved ranges to the top of the Board approved ranges and moving those rate classes below the Board approved ranges to the bottom of the Board approved ranges. Please also indicate what changes are proposed to the other rate classes to ensure the revenue requirement is recovered.

**Issue 8.3      Are the proposed LV rates appropriate?**

**Interrogatory # 45**

**Ref:    Exhibit 8, Tab 1, Sch. 5**

- a) Please explain why Guelph Hydro has used the average of 2008 through 2010 to forecast the kW's for 2011 and 2012 in Table 16.
- b) Please provide the actual total year-to-date kW for 2011 and compare this to the same periods in 2008, 2009 and 2010.
- c) Table 19 shows a charge of \$0.0000 for a number of rate classes. Please explain if these rate classes actually pay any LV charges.

**Issue 9.1      Are the account balances, cost allocation methodology and disposition period appropriate?**

**Interrogatory # 46**

**Ref:    Exhibit 9, Tab 1, Sch. 1**

**Please provide a copy of this scheduled signed by the Chief Operating Officer.**

**Interrogatory # 47**

**Ref: Exhibit 9, Tab 1, Sch. 3**

**Where has Guelph Hydro recorded an amount related to the HST replacement of the provincial sales tax on July 1, 2010?**

**Interrogatory # 48**

**Ref: Exhibit 9, Tab 4, Sch. 1 &  
EB-2010-0130 Decision & Order as corrected March 17, 2011**

- a) Please update the Table on page 4 to reflect any changes to the 2011 Projected or Committed to Date columns.**
- b) In the EB-2010-0130 Decision & Order, the Board indicated that Guelph Hydro would be required to report on the actual amount spent in its 2012 cost of service application and that the Board would carry out a prudence review of the actual costs to determine the amounts to be incorporated in rate base. The Board also indicated that it would make a determination at the time of rebasing regarding the treatment of differences between forecast and actual spending during the IRM plan term. Please provide the specific approvals and/or findings of the Board that Guelph Hydro is seeking in this proceeding related to the 2011 ICM disposition and inclusion in rate base.**

**Issue 9.3 Are the proposed balances for Other Regulatory Assets - Sub-account Deferred IFRS Transition Costs appropriate?**

**Interrogatory # 49**

**Ref: Exhibit 9, Tab 1, Sch. 4**

- a) What is the balance for the IFRS transition costs that Guelph Hydro is proposing to clear?**
- b) How has Guelph Hydro allocated IFRS transition costs between itself and its affiliates?**

**Issue 11.1      Is the proposed revenue requirement determined using modified IFRS appropriate?**

**Interrogatory # 50**

**Ref:    Exhibit 2, Tab 1, Sch. 3, Appendix A**

**What is the impact on the 2012 revenue requirement of the move to modified IFRS in 2011? Please provide a summary that shows the impact for each of the major contributors to the revenue requirement such as rate base, OM&A, depreciation and taxes.**

**Issue 12.1      Is Guelph Hydro's Green Energy Act Plan, including the Smart Grid component of the plan appropriate?**

**Interrogatory # 51**

**Ref:    Exhibit 2, Tab 4. Sch. 6**

- a) Have the capital expenditures shown in Table 3 been included in rate base in 2011 and/or 2012?**
- b) Have the OM&A expenses shown Table 3 been included in the 2012 revenue requirement calculation?**
- c) How did Guelph Hydro come to the conclusion (at page 17) that it was not necessary to calculate the direct benefits accruing to Guelph Hydro customers?**
- d) Will Guelph Hydro be charging other organizations for the use of the messaging system noted at page 20? If not, why not? If yes, what is the revenue forecast for 2012 associated with this?**
- e) Has Guelph Hydro discussed sharing information/combining projects related to the electric vehicle charging station pilot project with other distributors in Ontario? If not, why not? If yes, please provide details.**
- f) Does Guelph Hydro have any electric vehicles in its fleet? If yes, please provide the premium paid for each of these vehicles, including the year of purchase. Please also provide the estimated rate base impact and depreciation expense impact in the 2012 test year associated with these premiums.**
- g) Who will own the charging stations? If they will be owned by Guelph Hydro, have they been included in rate base? If yes, what is the amount in rate base and which is the impact on the test year revenue requirement?**