

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 Chatham-Kent
Hydro Inc. for an order or orders approving its amalgamation
with Middlesex Power Distribution Corporation effective
December 31, 2011.

INTERROGATORIES
FROM THE
SCHOOL ENERGY COALITION

1. [1.3.1, p.1] Please confirm that the relationship between CKUS and the Applicant, and the pricing and terms for provision of services by CKUS to the Applicant, will not change in any way as a result of the proposed transaction.
2. [1.5.1, p. 5] Please provide the most recent annual report of Chatham-Kent Energy Inc, if it has one.
3. [1.6.6, p. 8] Please advise the last year for which rates were set on a cost of service basis for each of the Applicant, Middlesex Power Distribution Corporation, Dutton Hydro Limited, and Newbury Power Corporation.
4. [Attach. 1.4.1-B, p. 4/5] Please provide an update on the status of each of the commitments in the six bullets listed on these two pages.
5. [Attach. 1.4.1-B, p. 5] Please provide a comparison of Dutton and Newbury reliability metrics from before and after the acquisitions.
6. [Attach. 1.4.1-B, p.7] Please advise the status of the transaction costs deferral account referred to. Please advise the total of the transaction costs for the acquisition of Middlesex by the Applicant, the acquisition of Dutton by Middlesex, the acquisition of Newbury by Middlesex, the amalgamation of Middlesex, Dutton and Newbury, and the amalgamation of Middlesex and the Applicant.
7. [Attach. 1.4.3-A, 2010 Financials, p. 5, and Attach. 1.4.4] Please estimate the regulated rate base for 2012, and the actual shareholders' equity as of the end of 2012, taking into account the \$7.75 million dividend in 2010 and the proposed \$2.6 million dividend in 2012, and provide the calculations supporting the estimate. Please explain the connection, if any, between the two dividends referred to (or either of them) and the proposed amalgamation transaction. If the equity thickness as of the end of 2012, on a regulatory basis, is expected to be less than 40%, please describe the impacts of that low equity level on the Applicant's ability to borrow from arm's length third parties, and

the interest rates likely to be payable on long term debt issued by the Applicant to third parties.

8. [Attach. 1.6.6] Please provide details of all internal costs included in the \$364,000 of transaction costs, including but not limited to costs for employees of the Applicant or any affiliate.
9. [Attach. 1.6.6] Please explain why the estimated cost and savings information does not include any savings relating to Billing and Collections costs, Customer and Community Relations costs, Operations and Maintenance costs, or Administrative and General costs (other than those listed). Please describe what, if any, economies of scale and productivity efficiencies are expected as a result of the amalgamation. If all such economies and efficiencies have already taken place, please advise when they occurred, and confirm that they are reflected in current rates of the Applicant and/or its regulated affiliates.

Submitted by the School Energy Coalition this 3rd day of November, 2011.

Jay Shepherd