

EB-2007-0901

**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
Espanola Regional Hydro Distribution
Corporation for an Order or Orders approving or
fixing just and reasonable rates and other charges
for the distribution of electricity commencing May
1, 2008.**

**INTERROGATORIES
OF THE
SCHOOL ENERGY COALITION**

1. 2006 Fixed Assets

Ref a: Ex 2/pg11

Ref b: Ex 2/pg3

In Ref a, ERHDC's 2006 gross assets average balance is shown as \$3,410,575.
In Re b, ERHDC's 2006 gross assets average balance is shown as \$4,241,628.

Discrepancies also exist for 2006 accumulated depreciation and NBV.

Please confirm the correct 2006 average balances.

Response

In Ex2/pg3 the "rate base summary table" calculates both the gross asset values at cost and the accumulated depreciation as the average of the 2006 actual closing balance and the 2006 Board Approved Balance (average 2003 and 2004). ie. the 2006 asset values at cost are calculated as $(3,445,467/5,037,788)/2 = 4,241,628$.

In Ex2/pg11 the fixed asset continuity schedules calculates the average balance as the average of the opening 2006 balance and the closing 2006 balance.

2. Capital Budget

Ref a: Ex 2/pg24, 25

Ref b: Ex 3/pg6

Per Ref b, the number of Residential and GS<50 customers in ERHDC's service territory has been decreasing since 2004.

Per Ref a, ERHDC has provided capital budget for new services installation to meet customer demand in both 2006 & 2007, in the amount of \$23,295 and \$47,635 respectively. The amount accounts for roughly one-third of ERHDC's total capital budget in that year.

Please explain.

Response

To be filed at a later date.

3. Deferral and Variance Accounts

Ref: Ex 5/pg4

ERHDC has proposed to dispose of the December 31, 2006 deferral and variance accounts balance of \$264,860 plus the residual balance of Account #1590 – Recovery of Regulatory Assets of (\$31,700) as of April 30, 2008 over a two-year period.

It appears that ERHDC has not chosen to dispose of the carrying costs in the amount of \$17,059 (excluding Account # 1590).

Please explain.

Response

The two year recovery period was chosen to be consistent with the recovery period used in the 2006 EDR process for regulatory assets. ERHDC has revised the rater calculation to include carrying charges to April 30, 2008. Refer to OEB interrogatory responses Appendix A.