



Board Secretary
Ontario Energy Board
2300 Yonge St
27th Floor
Toronto, ON M4P 1E4

January 24, 2012

Dear Ms. Walli,

Re: Halton Hills Hydro Inc. Supplemental Interrogatory Responses to Energy Probe Research Foundation (EP) in proceeding EB-2011-0271

Halton Hills Hydro Inc. ("HHHI") hereby submits its responses to EP Supplemental Interrogatories to the Ontario Energy Board ("the Board").

Please find attached to this cover letter:

- 2 paper copies of the Supplemental Interrogatory Responses to EP in proceeding EB-2011-0271.
- 1 electronic copy of the Supplemental Interrogatory Responses to EP in proceeding EB-2011-0271.

A copy of the Supplemental Interrogatory Responses to EP has also been filed through the Web Portal and electronic copies forwarded to all intervenors in EB-2011-0271.

In the event of any additional information, questions or concerns, please contact David Smelsky, Chief Financial Officer, at dsmelsky@haltonhillshydro.com or (519) 853-3700 extension 225, or Tracy Rehberg-Rawlingson, Regulatory Affairs Officer, at tracyr@haltonhillshydro.com or (519) 853-3700 extension 257.

Sincerely,

(Original signed)

David J. Smelsky, CMA
Chief Financial Officer
Halton Hills Hydro Inc.

Cc: Arthur Skidmore, President & CEO, HHHI
Richard King, Counsel to HHHI
Intervenors in proceeding EB-2011-0271

[This page left intentionally blank]

Halton Hills Hydro Inc. Responses to
Energy Probe Supplemental Interrogatories
EB-2011-0271

Interrogatory # 47

Reference: Energy Probe Interrogatory #6 &
Exhibit 4, Tab 3, Schedule 1, Tables 4-23 and 4-24 &
Exhibit 2, Tab 2, Schedule 1, Table 2-11b

- a) Please provide a version of Table 4-24 in Exhibit 4, Tab 3, Schedule 1 that shows the calculation of the income tax for 2012 under both CGAAP and MIFRS that result in the income tax figures shown in Table EP 1-5.
- b) Please explain the difference in the depreciation and amortization figure of \$2,908,516 shown in Table EP 1-5 with the figure of \$3,202,769 shown in Table 2-11b in Exhibit 2, Tab 2, Schedule 1
- a) A revised version of Table 4-24 from Exhibit 4, Tab 3, Schedule 1 that shows the calculation of the income tax for 2012 under both CGAAP and MIFRS and that result in the income tax figures shown in Table EP 1-5 is shown below as Table EP 2-1.

Table 2-1 : Calculation of 2012 Income Tax –CGAAP and MIFRS

Halton Hills Hydro Inc.			
		IFRS	CGAAP
		2012	2012
Accounting Net Income before Taxes		1,842,306	2,129,643
Additions:			
Interest and penalties on taxes	103	-	
Amortization of tangible assets	104	1,834,363	3,237,770
Amortization of intangible assets	106	-	
Recapture of capital cost allowance from Schedule 8	107	-	
Scientific research expenditures deducted on financial statements	118	-	
Capitalized interest	119	-	
Non-deductible club dues and fees	120	-	
Non-deductible meals and entertainment expense	121	-	
Reserves from financial statements- balance at end of year	126	680,871	680,871
Soft costs on construction and renovation of buildings	127	-	
Recapture of SR&ED expenditures	231	-	
Other Additions (Apprenticeship Tax Credits)	295	-	
Total Additions		2,515,234	3,918,641
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402	-	
Capital cost allowance from Schedule 8	403	3,150,364	3,210,175
Terminal loss from Schedule 8	404	-	
Cumulative eligible capital deduction from Schedule 10	405	25,193	25,193
Allowable business investment loss	406	-	
Deferred and prepaid expenses	409	-	
Scientific research expenses claimed in year	411	-	
Tax reserves end of year	413	-	
Reserves from financial statements - balance at beginning of year	414	680,871	680,871
Other Deductions	394	-	
Total Deductions		3,856,428	3,916,239
Tax Adjustments to Accounting Income		(1,341,194)	2,402
Income for Tax Purposes		501,112	2,132,045
Tax Rates		26.25%	26.25%
Income Tax		131,542	559,662

- b) The difference in the depreciation and amortization figure of \$2,908,516 shown in Table EP 1-5 and the figure of \$3,202,769 shown in Table 2-11b in Exhibit 2, Tab 2, Schedule 1 is the depreciation expense for the fleet which is included in burden.

Interrogatory # 48

Reference: Energy Probe Interrogatory #8b

Please confirm that the references to Table 2-15 in this response should be to Table 2-16.

Confirmed.

Interrogatory # 49

Reference: Energy Probe Interrogatory #9

In the table provided in the response, there are a number of blank cells in the "In Date Service or Projected in Service Date" column.

- a) Please confirm that "Yes" indicates that the asset has been placed into service in 2011. If this cannot be confirmed, please indicate what this signifies.
 - b) Please confirm that the entry of "Dec-11" indicates that these assets are forecast to be in service by the end of December 2011.
 - c) For each blank entry in this column please explain when the asset or assets are forecast to be placed into service. If some of the assets are not expected to be in service until after the end of 2011, please provide a breakdown of the amount that will be in service by the end of 2011, the amount that will be placed into service in 2012 and the amount, if any, that will not be placed in service by the end of 2012.
 - d) Please explain the significant drop in 2011 capital additions from that originally forecast of \$4,494, with the forecast of \$2,764,888 shown in Table EP 1-9.
- a) Please see Table EP 2-2 for further clarification.
- b) Please see Table EP 2-2 for further clarification.
- c) Please see Table EP 2-2 for further clarification.

- d) The primary reasons for the drop in 2011 capital projects from the original forecast include the delay of government driven projects (specifically the Steeles Avenue Road Widening), the extended time to complete other capital projects due to unanticipated medical leave attributable to Line Crew staff, and the 2012 projected delivery of materials that was originally expected in 2011.

Table EP 2-2 : Revised Table EP 1-9 – 2011 Year to Date Capital Costs

Project Description	Projected Cost	2011 Actual	Carry over for 2012	Year in Service	In Service or Projected
River Substation Transformer Fans	\$ 20,319	\$ 2,487	\$ 17,832	2012	Projected
Ashgrove Substation Outfit New Control House	\$ 32,899	\$ 11,506	\$ 21,394	2012	Projected
Silver Creek Substn. - Feeder Reconfiguration (re-budget)	\$ 109,417	\$ 3,763	\$ 105,654	2012	Projected
Glen Williams Substaion - Outfit New Control House	\$ 32,899	\$ 11,793	\$ 21,106	2012	Projected
Mobile Truck Radio Repeater	\$ 10,122	\$ 7,866	\$ -	2011	Yes
SCADA Radio Expansion (3 year project)	\$ 52,613	\$ 56,400	\$ -	2013	Projected
Norval 44 kV Feeder Communications Re-design	\$ 16,603	\$ -	\$ -	Deferred	No
Continuation of Cyber Security Project from 2010	\$ 7,566	\$ 5,052	\$ -	2011	Yes
Substation Painting Program	\$ 8,121	\$ 6,644	\$ -	2011	Yes
Pole Replacements - 2011	\$ 777,092	\$ 416,124	\$ -	2011	Yes
Regulator Relocation from 3rd Line (Acton)	\$ 56,522	\$ 24,146	\$ -	2011	Yes
Switchgear Replacement, John Street, Georgetown	\$ 72,111	\$ 24,825	\$ 47,286	2012	Projected
5th Line South Phase Reconfiguration for Scada-Mate Switch (2)	\$ 31,533	\$ 41,060	\$ -	2011	Yes
SCADA Infrastructure for 2011 - Scada-Mate Switches (QTY: 2)	\$ 136,209	\$ 105,860	\$ -	2011	Yes
27.6kV Extension up Trafalgar Road (10 Side Road to 15 Side Road- ph1)	\$ 179,683	\$ 14,235	\$ -	Deferred	Deferred
27.6kV Extension/loop on 5 Side to _____. Design Only	\$ 11,083	\$ 13,889	\$ -	2011	Yes
POLE TRANS CONVERSION - PHASE 2 at KINGHAM RD., ACTON	\$ 621,268	\$ 821,950	\$ -	2011	Yes
WIRELESS FAULT INDICATORS - VARIOUS LOCATIONS	\$ 40,903	\$ 20,104	\$ -	2011	Yes
Convert 8.32kV Line to 27.6kV (8th Line: 5th SdRd to Steeles) - Eng Only	\$ 5,366	\$ 4,037	\$ -	2012	Projected
Convert 8.32kV Line to 27.6kV (8th Line: 5th SdRd to 10th SdRd) - Eng Only	\$ 5,366	\$ 646	\$ -	Deferred	Deferred
44kV and Extend 8.32kV - 27 Side Road	\$ 315,170	\$ 138,509	\$ 176,660	2012	Projected
4kV -extend F3 feeder from Armstrong Subs to Sinclair Av & Guelph	\$ 272,110	\$ 405	\$ -	Deferred	Deferred
Reconducting Main St (from River Dr to first pole North of CN track)	\$ 110,237	\$ 11,210	\$ 99,027	2012	Projected
GIS-ESRI implementation	\$ 67,080	\$ 43,075	\$ -	2011	Yes
44kV Distribution Automation (Procurement & installation 12 Load-break SWs)	\$ 437,324	\$ 243	\$ 437,081	2012	Projected
Wallace Street and McDonald Blvd.Relocate Poles and Anchors	\$ 16,469	\$ 21,131	\$ -	2011	Yes
Steeles Avenue - James Snow Parkway to 5th Line South (Phase 2 - Stage 1)	\$ 439,529	\$ 165,508	\$ 274,021	2012	Projected
Pole Relocations on 10 Side Road between 9th Line and WCB (Engineering Design)	\$ 4,553	\$ -	\$ -	Deferred	Deferred
Generation - FIT	\$ 6,708	\$ 4,800	\$ -	N/A	N/A
Microfit	\$ 751	\$ 10,009	\$ -	N/A	N/A
HVAC Cooling Tower	\$ 146,075	\$ 124,075	\$ -	2011	Yes
Telephone System Upgrade	\$ 30,720	\$ 25,742	\$ -	2011	Yes
Web Self-Service etc.	\$ 89,000	\$ 41,100	\$ -	2011	Yes
Replacement of one-third PC's	\$ 49,000	\$ 27,740	\$ -	2011	Yes
Veheicle Replacement	\$ 228,000	\$ 228,000	\$ -	2011	Yes
Plotter, scanner, copier	\$ 21,000	\$ 16,641	\$ -	2011	Yes
Tools	\$ 29,320	\$ 18,500	\$ -	2011	Yes
Dual redundant firewalls	\$ 4,000	\$ 6,159	\$ -	2011	Yes
Total 2011 Capital Additions	\$ 4,494,743	\$ 2,475,235	\$ 1,200,061		

Interrogatory # 50

Reference: Energy Probe Interrogatory #9 & #10

- a) What is the expected timing of the purchase of the land for the transformer station and distribution substation?
 - b) What is the actual/expected cost of the each parcel of land associated with the transformer station and the distribution substation?
 - c) Are these costs included in the revised 2011 capital addition forecast shown in the response to Energy Probe Interrogatory #9?
 - d) Please confirm that neither land cost has been included in the calculation of the 2012 rate base.
-
- a) The purchase of the land for the Transformer Station is expected in 2012. The purchase of the land for the Distribution Substation closed December 2011.
 - b) The expected cost of the land purchase for the Transformer Station is \$1,000,000 and the cost of the land purchase for the Distribution Substation was \$227,600.
 - c) No.
 - d) The land costs were added into the calculation of the 2012 rate base as part of the revised Revenue Requirement in the first round of interrogatories.

Interrogatory # 51

Reference: Energy Probe Interrogatory #9 & #11

Given the reduction in the 2011 capital addition forecast shown in the response to Energy Probe Interrogatory #9, does HHHI still believe it will be able to have all the projects and expenditures shown in Table EP 1-10 completed and in service by the end of 2012? Please elaborate on the response.

Certain projects listed in Table EP 1-10 are outside of HHHI's control and subject to third party authorization before the project proceeds. The projects subject to third party approval are:

- The Region of Halton - Steeles Avenue-Trafalgar Road to 5th Line South (\$496,638)
- The Region of Halton - Pole relocation Steeles Avenue between Winston Churchill Blvd (WCB) & Trafalgar Road (\$1,047,701)
- Customer driven – Generation – FIT (\$6,708)
- Customer driven – MicroFIT (\$20,124)

In addition, the project referred to as "Green Energy Initiative" in the amount of \$1,400,000 is subject to HHHI receiving OEB approval in this current cost of service rate application.

HHHI believes all other projects listed in Table EP 1-10, will be completed and in service by the end of 2012.

Interrogatory # 52

Reference: Energy Probe Interrogatory #14

Please explain the derivation of the 6,000 figure shown in Table EP 1-11 in the "Installed at December 31, 2009" column for the 200 GS> 50 meters at \$300 each.

The figure should have shown 60,000 (\$300 x 200).

Interrogatory # 53

Reference: Energy Probe Interrogatory #16 & #5

- a) Please provide a version of Table EP 1-13 that fits completely on the page.
- b) Please calculate the difference in total capital expenditures between the CGAAP and MIFRS figures provided in the response.
- c) If the difference calculated in (b) above is different from the \$286,622 difference in operation and maintenance costs shown in the Table EP 1-5 provided in the response to Energy Probe Interrogatory #6, please explain the difference.

a) A re-sized version of Table EP 1-13 is shown below.

EB-2011-0271
Halton Hills Hydro Inc. Response to
Energy Probe Supplemental Interrogatories
January 24, 2012

OEB	1820	1830	1835	1840	1845	1850	1908	1915	1920	1925	1930	1940	1980	1995	Total
Project	Dist Stn Equip below 50kV	Poles, Towers and Fixtures	OH Conductor & Devices	UG Conduit	UG Conductor & Devices	Line Transformers	Buildings and Fixtures	Office Furniture & Equipment	Computer Equipment - Hardware	Computer Software	Transportation Equipment	Tools, Shop and Garage Equipment	System Supervisory Equipment	Contributions and Grants	
SCADA Radio Expansion (Year 2 of 3)	-	-	-	-	-	-	-	-	-	-	-	-	52,613	-	52,613
Ballinacree Substn. - Feeder Re-configuration	-	-	-	32,825	76,592	-	-	-	-	-	-	-	-	-	109,417
8 kV Rel improv - Silver Creek MS	-	43,191	64,787	-	-	-	-	-	-	-	-	-	-	-	107,978
Substation Painting Program	8,121	-	-	-	-	-	-	-	-	-	-	-	-	-	8,121
Pole Replacements - 2012	-	600,000	360,000	-	-	240,000	-	-	-	-	-	-	-	-	1,200,000
2012 - Scada-Mate Switches (QTY: 2)	-	-	125,614	-	-	-	-	-	-	-	-	-	-	-	125,614
W.C.B. -5 Sd Rd to Norval (Design 2012)	-	-	24,950	-	-	-	-	-	-	-	-	-	-	-	24,950
27.6kV Extension Traf Rd (10 SdRd-15 SdRd) Ph 2	-	154,147	104,950	-	-	68,874	-	-	-	-	-	-	-	-	327,972
Cutout Replacement program	-	-	35,173	-	-	-	-	-	-	-	-	-	-	-	35,173
Pole Trans Conversion - Phase 3 at Kingham Rd. Acton - Final	-	-	-	326,729	215,641	111,088	-	-	-	-	-	-	-	-	653,459
Convert 8.32kV Line to 27.6kV (8th Line: 5th SdRd to Steeles) - Build/Construct	-	197,768	150,680	14,126	14,126	94,175	-	-	-	-	-	-	-	-	470,876
Convert 8.32kV Line to 27.6kV (8th Line: 5th SdRd to 10th SdRd) - Build/Construct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44kV Dist Automation (Procurement & inst 6 Load-break SWs in 2012)	-	-	437,324	-	-	-	-	-	-	-	-	-	-	-	437,324
Steeles Ave-Traf Rd-5th Ln S (Phase 2 - Stage 2)	-	424,393	282,929	-	-	-	-	-	-	-	-	-	-	(210,684)	496,638
Pole Reloc Steeles Av-WCB-Traf Rd (PR-2044B)	-	965,562	643,708	-	-	-	-	-	-	-	-	-	-	(561,570)	1,047,701
10 SdRd (2-Lane Reconst 9th Ln-WCB) PR-1437C	-	-	(1,278)	-	-	-	-	-	-	-	-	-	-	639	(639)
Subdivision	-	-	-	50,176	41,053	-	-	-	-	-	-	-	-	(91,229)	-
Services	-	168,850	168,850	42,212	42,212	-	-	-	-	-	-	-	-	(422,124)	-
Convert inView Lite to inView Premium Mtr Rdg	-	-	-	-	-	-	-	-	-	45,000	-	-	-	-	45,000
ERP System	-	-	-	-	-	-	-	-	100,000	250,000	-	-	-	-	350,000
Generation - FIT	-	6,708	-	-	-	-	-	-	-	-	-	-	-	-	6,708
Microfit	20,124	-	-	-	-	-	-	-	-	-	-	-	-	-	20,124
Substation Battery Load Test Bank	6,500	-	-	-	-	-	-	-	-	-	-	-	-	-	6,500
GPS Clock for SCADA host plus additional remote clocks as required in the field	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Transcription software	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000
Hydraulic Pruners x2 @ \$2000ea	-	-	-	-	-	-	-	-	-	-	-	4,000	-	-	4,000
Hastings Switch Sticks x6 @ \$120ea	-	-	-	-	-	-	-	-	-	-	-	720	-	-	720
Grounds x2 sets @ \$1000ea	-	-	-	-	-	-	-	-	-	-	-	2,000	-	-	2,000
Battery Operated Crimper 6Ton	-	-	-	-	-	-	-	-	-	-	-	2,000	-	-	2,000
U/G stripping tool	-	-	-	-	-	-	-	-	-	-	-	400	-	-	400
Men Working signs	-	-	-	-	-	-	-	-	-	-	-	1,200	-	-	1,200
Chain saw	-	-	-	-	-	-	-	-	-	-	-	750	-	-	750
Hydraulic drill	-	-	-	-	-	-	-	-	-	-	-	1,200	-	-	1,200
Lashing Machine	-	-	-	-	-	-	-	-	-	-	-	5,000	-	-	5,000
Travellers x10	-	-	-	-	-	-	-	-	-	-	-	1,000	-	-	1,000
Chance ground mats 58x58 x2	-	-	-	-	-	-	-	-	-	-	-	900	-	-	900
Tool Aprons for bucket trucks x4	-	-	-	-	-	-	-	-	-	-	-	500	-	-	500
Ratcheting Cable Cutters x2	-	-	-	-	-	-	-	-	-	-	-	900	-	-	900
Insulated bypass jumpers for 44kV switch maint x3	-	-	-	-	-	-	-	-	-	-	-	3,200	-	-	3,200
Road cones x20	-	-	-	-	-	-	-	-	-	-	-	600	-	-	600
Service saver (for underground burn-offs)	-	-	-	-	-	-	-	-	-	-	-	5,000	-	-	5,000
Vehicle Lift/Rotary Hoist - Wade	-	-	-	-	-	-	-	-	-	-	-	10,000	-	-	10,000
3 - portable radios	-	-	-	-	-	-	-	-	-	-	-	3,000	-	-	3,000
System Operator Room - furniture & hardware	-	-	-	-	-	-	7,500	-	-	-	-	800	-	-	8,300
System Operator Room - Communication	-	-	-	-	-	-	2,500	-	-	-	-	-	-	-	2,500
Colour printer for file labels -	-	-	-	-	-	-	-	300	-	-	-	-	-	-	300
1 - Boom and Body for bucket truck replacement	-	-	-	-	-	-	-	-	-	-	200,000	-	-	-	200,000
1 - Pole Trailer	-	-	-	-	-	-	-	-	-	-	30,000	-	-	-	30,000
IT Capital Budget	-	-	-	-	-	-	-	-	80,000	68,000	-	-	-	-	148,000
Green Energy Initiative	-	1,400,000	-	-	-	-	-	-	-	-	-	-	-	-	1,400,000
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	54,745	3,960,619	2,397,685	466,069	389,624	514,137	10,000	300	180,000	363,000	230,000	43,170	52,613	(1,284,968)	7,376,995

b) The difference in total capital expenditures between the CGAAP and MIFRS figures is provided in Table EP 2-3 below.

Table EP 2-3 : Difference in Total Capital Expenditures Between CGAAP and MIFRS

	Total After Contributed Capital	Contributed Capital	Total Before Contributed Capital
CGAAP	7,548,752	1,396,208	8,944,960
MIFRS	7,376,995	1,284,968	8,661,963
Difference	171,757		282,997

c) The difference of \$282,997 is close to the OM&A difference of \$286,622.

Interrogatory # 54

Reference: Energy Probe Interrogatory #17

Do the expenditures shown for 2013 through 2015 include any amounts related to the transformer station and/or the distribution substation noted on page 12 of Exhibit 2, Tab 2, Schedule 3? If not, what are the total costs associated with each of these projects?

The expenditures shown for 2013 through 2015 do not include estimates for the transformer station and the municipal substation. The estimated cost of the Transformer Station is \$15,000,000 and the estimated cost of the Distribution Substation is \$1,250,000.

Interrogatory # 55

Reference: Energy Probe Interrogatory #19

- a) Please provide all the calculations and assumptions used to generate the revenue requirement and deferral account offset figures shown in part (h) to the response.
- b) Does the inclusion of the panels on the 1400 poles result in any lost or potential lost revenue associated with pole rentals for other purposes?
- a) The calculations and assumptions used to generate the revenue requirement and deferral account offset figures shown in response to EP #19 h) is presented below in Table EP 2-4 and Table EP 2-5 respectively.

Table EP 2-4 : Calculations for Revenue Requirement

Capital Expenditure		1,400,000
Depreciation Expense		35,000
Net Book Value		1,365,000
Fixed Assets Opening Balance 2012		-
Fixed Assets Closing Balance 2012		1,365,000
Average Fixed Asset Balance for 2012		682,500
Working Capital Allowance		-
Rate Base		682,500
Regulated Rate of Return		6.66%
Regulated Return on Capital		45,433
Deemed Interest Expense		19,716
Deemed Return on Equity		25,717
Regulated Return on Capital		45,433
Depreciation Expense		35,000
		80,433
Pils	26.25%	11,926
Revenue Requirement		92,359

Table EP 2-5 : Deferral Account Offset Figures

	kWh/kW	Loss Factor	Loss Adjusted	Rates	Charge
Power Purchased	398,580	1.0602	422,575	0.07298	\$ 30,839
Charges-WMS	398,580	1.0602	422,575	0.00520	\$ 2,197
Charges-NW	399	1.0000	399	2.65000	\$ 1,056
Charges-CN	399	1.0000	399	2.14000	\$ 853
Rural Rate Assistance	398,580	1.0602	422,575	0.00130	\$ 549
TOTAL					\$ 35,495

b) The inclusion of the 1400 panels on poles will not result in any loss or the potential of any lost pole rental revenue.

Interrogatory # 56

Reference: Energy Probe Interrogatory #23

The response provided to part (d) indicates that the revenue at existing rates would increase by \$181,837 as a result of using the equation noted in the previous parts of the interrogatory. The response then indicates that the impact on the revenue deficiency is an identical amount of \$181,837. Please re-estimate the impact on the revenue deficiency by taking into account the higher kWh forecast and the resulting increase in the working capital allowance component of rate base.

The impact on revenue deficiency, by taking into account the higher kWh of forecast, is a decrease of \$162,281. The resulting increase in the working capital allowance component of rate base is \$241,293.

Interrogatory # 57

Reference: Energy Probe Interrogatory #29

If available, please provide an updated Table EP 1-29 that includes year-to-date information for 2011 and 2010 beyond September.

Table EP 2-6 shows the year-to-date summary of other distribution revenue.

Table EP 2-6 : Revised Year-to-Date Summary of Other Distribution Revenue

Summary of Other Operating Revenues			
USoA #	USoA Description	2010 Actual	2011 Bridge Year
4235	Specific Service Charges	\$ 128,872	\$ 104,455
4225	Late Payment Charges	\$ 272,863	\$ 272,766
4080	Distribution Services Revenue	\$ 55,965	\$ 58,149
4082	Retail Services Revenues	\$ -	\$ -
4084	Service Transaction Requests (STR) Revenues	\$ -	\$ -
4210	Rent from Electric Property	\$ 242,986	\$ 274,365
4325	Revenues from Merchandise, Jobbing, Etc.	\$ -	\$ 21,346
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	\$ -	\$ -
4355	Gain on Disposition of Utility and Other Property	\$ -	\$ -
4375	Revenues from Non-Utility Operations	\$ 351,372	\$ 381,079
4380	Expenses of Non-Utility Operations	\$ -	\$ -
4385	Expenses of Non-Utility Operations	\$ -	\$ -
4405	Interest and Dividend Income	\$ -	\$ -
		\$ 1,052,058	\$ 1,112,161

Specific Service Charges	\$ 128,872	\$ 104,455
Late Payment Charges	\$ 272,863	\$ 272,766
Other Operating Revenues	\$ 298,951	\$ 332,514
Other Income or Deductions	\$ 351,372	\$ 402,425
Total	\$ 1,052,058	\$ 1,112,161

Account 4235 Specific Service Charges

	2010 Actual	2011 Bridge Year
NSF	\$ 6,146	\$ 9,814
Application Fee - Subdivision	\$ 27,560	\$ 7,320
Service Layouts	\$ 32,618	\$ 36,702
Sale of Scrap Material	\$ -	\$ -
Account Set-up	\$ 57,450	\$ 58,740
Miscellaneous	\$ 4,483	\$ 8,121
Consulting	\$ -	\$ -
Premium Locate Charge	\$ -	\$ -
Total	\$ 128,258	\$ 104,455

Interrogatory # 58

Reference: Energy Probe Interrogatory #29, parts (e) and (f)

- a) What is the basis for only allocating 50% of the gains on disposals in the revenue offset?
 - b) What assets are forecast to be disposed of in 2012 for a net gain of \$25,000?
 - c) What is the project level of average excess cash that could be invested in 2012 and what is the interest rate currently available on short term GICs?
-
- a) The basis for only allocating 50% of the gains on disposals in the revenue offset is based on the direction from the Board in the 2006 rate handbook sections 4.6.1 and 4.6.2.
 - b) The forecasted 2012 net gain of \$25,000 is the estimated proceeds to be realized on the sale of a used bucket truck.
 - c) The projected level of average excess cash that could be invested in 2012 is \$300,000. The current interest rates for short-term Term Deposits as posted by TD Canada Trust on January 12, 2012 are:

30-59 days	0.46%
60-89 days	0.61%
90-119 days	0.66%
120-179 days	0.66%
180-269 days	0.82%
270-364 days	0.82%

Interrogatory # 59

Reference: Energy Probe Interrogatory #33

The response indicates an increase related to smart meters of \$462,710 which is broken down by account in part (e) of the response. The table provided in response to part (a) of the question provides the 2010 actual expenditures in these accounts. Please indicate what costs from 2010 in these three accounts (5305, 5310, 5315) have been reduced due to the movement to smart meters.

In 2010 all smart meter costs have been recorded in the deferral and variance account 1555 and 1556. Therefore, no costs from 2010 in these three accounts (5305, 5310, 5315) have been reduced due to the movement to smart meters.

Interrogatory # 60

Reference: Energy Probe Interrogatory #34

If HHHI cannot provide the year-to-date figures requested in the same level of detail as shown in Table 4-1, then please provide the total OM&A expenditures for the most recent year-to-date period available in 2011 and the corresponding figure for the same period in 2010.

Table EP 2-7 below provides total OM&A expenditures as of November 2011 and the corresponding figure for the same period in 2010.

Table EP 2-7 : Total OM&A Expenditures 2010 and 2011 as of November

Halton Hills Hydro Inc. Statement of Operations		
	YTD Actual Nov-11	YTD Actual Nov-10
EXPENDITURE		
Salaries & benefits	3,985,207	3,598,172
Contract services	1,466,411	1,165,326
Material costs	1,056,012	1,629,551
Communications costs	266,227	274,921
Property costs	425,065	549,552
Other costs	374,684	408,612
Capital tax	55,000	58,330
Costs allocated to capital	(3,578,665)	(2,682,354)
Total operating expenses	4,049,941	5,002,110

Interrogatory # 61

Reference: SEC Interrogatory #5 &
Energy Probe Interrogatory #21b

Please update the response to Energy Probe Interrogatory #21b to reflect the Uniform Transmission Rates found in the EB-2011-0268 2012 Rate Order.

Please see HHHI response to SEC Interrogatory question #25.

Interrogatory # 62

Reference: SEC Interrogatory #13 & #14

- a) Please provide the forecasted amount(s) expected to be borrowed by HHHI in 2012 from the TD Commercial Bank loan and indicate the expected interest rate to be charged for 2012.
 - b) Please provide more details on discussions that took place with Infrastructure Ontario and the rates that were available at the time of the discussions.
 - c) What are the current rates available from Infrastructure Ontario for terms of 5, 10, 15, 25 and 50 year terms?
-
- a) New construction financing required for the 2012 capital budget is approximately \$5,000,000. Depending on the amortization period and term of the loan, expected interest rates will range from 3.20% to 4.08%. For example, a 15 year amortization, 5 year term loan – interest rate is 3.20%.
 - b) Please see HHHI response to SEC Interrogatory question #27.
 - c) Infrastructure Ontario Lending Rates for Local Distribution Companies are updated frequently with the movement of the cost borrowing in the capital markets. Current lending rates are available on Infrastructure Ontario's website:
http://infrastructureontario.org/en/loan/rates/sectors/local_distribution_rates.asp

Interrogatory # 63

Reference: VECC Interrogatory #5 &
Exhibit 2, Tab 2, Schedule 3

The response to both parts (b) and (c) of the interrogatory refer to Appendix VECC 1-A.

However, there is only one set of projects shown for each year in that appendix.

- a) Please confirm that the tables provided in the appendix reflect the proposed projects in each year.
- b) Please confirm that the comparable list of projects and associated costs on an actual basis for these years are Table 2-14 (2008), Table 2-15 (2009), Table 2-16 (2010) and Table 2-17 (2011) in Exhibit 2, Tab 2, Schedule 3. If this cannot be confirmed, please provide a table for each of 2008 through 2011 that is a

comparable list of projects actually completed to those shown in the appendix to the interrogatory response.

- c) Please explain why there are a number of capital projects shown in Table 2-17 for 2011 that are not included in the 2011 capital project list shown in the appendix to the interrogatory response.
 - d) Please provide a list of the 2012 projects that were proposed by the Manager of Engineering and Operations. Please explain any difference from those shown in Table 2-18.
- a) Appendix VECC 1-A represents proposed and approved projects for 2010, 2011 & 2012.
 - b) Confirmed for 2008, 2009 and 2010. Please refer to Table EP 2-2 in HHHI response to Energy Probe Interrogatory question #49.
 - c) Appendix VECC 1-A listed only those projects proposed by the Manager of Engineering and Operations. Table 2-17 listed all capital projects for HHHI, including general plant expenditures.
 - d) Table EP 2-8 shows the projects proposed by the Manager of Engineering and Operations for 2012. Table 2-18 listed all capital projects for HHHI, including general plant expenditures. The differences between the Tables are:
 - Convert inView Lite to inView Premium Meter Reading (\$45,000)
 - ERP System (\$350,000)
 - Green Energy Initiative (\$1,400,000)

Table EP 2-8 : 2012 Capital Projects Proposed by the Manager of Engineering and Operations

Project Description	Projected Cost
SCADA Radio Expansion (Year 2 of 3)	\$ 52,613
Ballinafad Substn. - Feeder Re-configuration	\$ 109,417
8 kV Rel improv - Silver Creek MS	\$ 107,978
Substation Painting Program	\$ 8,121
Pole Replacements - 2012	\$ 1,200,000
Smart Grid Infrastructure for 2012 - Scada-Mate Switches (QTY: 2)	\$ 125,614
W.C.B. -5 Sd Rd to Norval (Design 2012)	\$ 24,950
27.6kV Extension up Trafalgar Road - (10 Sd Rd to 15 Sd Rd) Phase 2 (2012)	\$ 327,972
Cutout Replacement program (AB Chance Porcelain Cutout in particular)	\$ 35,173
Pole Trans Conversion - Phase 3 at Kingham Rd. Acton -Final	\$ 653,459
Convert 8.32kV Line to 27.6kV (8th Line: 5th SdRd to Steeles) - Build/Construct	\$ 470,876
44kV Dist Automation (Procurement & inst 6 Load-break SWs in 2012)	\$ 437,324
Steeles Avenue - Trafalgar Rd to 5th Line South (Phase 2 - Stage 2)	\$ 496,638
Pole Relocations on Steeles Av between WCB & Trafalgar Rd (PR-2044B)	\$ 1,047,701
10 Sd Rd (2-Lane Reconst from 9th Ln to WCB). PR-1437C	-\$ 639
Generation - FIT	\$ 6,708
Microfit	\$ 20,124
Total 2012 Capital Additions	\$ 5,124,025

Interrogatory #64

Reference: VECC Interrogatory #12 &
Energy Probe Interrogatory #25b &
Exhibit 3

- a) Please confirm that the actual customers shown in the VECC response are directly comparable to the forecast shown in the Energy Probe response in that both are based on June 2011 figures.
- b) Please explain the significantly higher GS<50 and GS >50 actual customers as compared to forecast.
- c) Please provide the actual number of GS>50 to 999 customers and the actual number of GS>1000 to 4999 customers included in the 218 actual GS>50 customers.
- d) Please explain the significantly lower residential, USL, streetlighting and sentinel actuals as compared to forecast.

- e) Please provide a revised 2012 customer forecast as shown in Table 3-12 if the HHHI methodology is applied, but is based on the June 30, 2011 customer counts as the starting point.
- f) What is the impact on the revenue at current rates of the 2012 customer forecast generated in part (e) above? Please provide a column showing the revenues at current rates in the same level of detail as shown in revised Table 3.1 shown in the response to Energy Probe Interrogatory #22a.
- a) Confirmed.
- b) In HHHI's opinion, the variances in customer counts are not significant. Please see part c).
- c) The actual number of GS>50 to 999 customers and the actual number of GS>1000 to 4999 customers should have been 172 and 12 respectively not 218.
- d) Please see HHHI response to Energy Probe Interrogatory question #64 b) and c).
- e) A revised 2012 customer forecast if HHHI methodology is applied based on the June 30, 2011 customer counts as the starting point is presented below as Table EP 2-9.

Table EP 2-9 : Revised 2012 Customer Forecast Based on June 30, 2011 Customer Counts

	Residential	GS<50	GS>50 to 999	GS> 1000 to 4999	Sentinels	Streetlights	USL	Total
Count as at June 2011	19,100	1,682	172	12	177	4,387	146	25,675
Geomean	1.0225	1.0073	1.0228	1.0465	0.9883	1.0197	1.1991	
2012	19,530	1,694	176	12	175	4,474	175	26,236

- f) The impact on the revenue at current rates of the 2012 customer forecast generated in part (e) above is a reduction of \$34, 494. The further revised Table 3-1 is presented below as Table EP 2-10.

Table EP 2-10 : Further Revised Table 3-1 from Application

Summary of Operating Revenue	2008 Board Approved	2008 Actual	2009 Actual	2010 Actual	2011 Bridge Year	2012 Test Year at Current Rates	2012 Test Year at Proposed Rates	2012 Test Year at Current Rates per EP# 64 f)
Distribution Revenue								
Residential	\$ 5,114,430	\$ 5,190,474	\$ 5,365,267	\$ 5,445,033	\$ 5,700,180	\$ 5,614,990	\$ 6,246,392	\$ 5,531,641
General Service less than 50 kW	\$ 1,057,879	\$ 1,090,779	\$ 1,013,246	\$ 1,033,672	\$ 1,089,970	\$ 1,014,254	\$ 1,063,108	\$ 1,049,642
General Service 50 to 999 kW	\$ 2,300,170	\$ 1,462,483	\$ 1,542,822	\$ 1,434,146	\$ 1,344,406	\$ 1,211,053	\$ 1,471,168	\$ 1,203,362
General Service 1,000 to 4,999 kW	\$ 1,388,608	\$ 871,475	\$ 931,398	\$ 866,791	\$ 1,020,182	\$ 890,199	\$ 857,115	\$ 932,214
Sentinel Lighting	\$ 6,522	\$ 14,364	\$ 17,750	\$ 11,309	\$ 12,179	\$ 25,212	\$ 32,654	\$ 13,787
Street Lighting	\$ 53,606	\$ 113,873	\$ 172,027	\$ 245,580	\$ 343,783	\$ 372,074	\$ 386,703	\$ 367,002
Unmetered Scattered Load	\$ 30,149	\$ 24,117	\$ 27,346	\$ 30,188	\$ 28,716	\$ 38,063	\$ 38,316	\$ 33,704
MicroFIT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Distribution	\$ 9,951,364	\$ 8,767,565	\$ 9,069,856	\$ 9,066,719	\$ 9,539,416	\$ 9,165,845	\$ 10,095,456	\$ 9,131,351
%of Total Revenue	90%	88%	88%	87%	89%	89%	90%	89%
Other Revenue								
Late Payment	\$ 226,000	\$ 170,410	\$ 178,372	\$ 178,084	\$ 167,500	\$ 172,792	\$ 172,792	\$ 172,792
Specific Service Charge	\$ 375,000	\$ 231,952	\$ 259,001	\$ 273,214	\$ 270,000	\$ 271,607	\$ 271,607	\$ 271,607
Other Distribution Revenue	\$ 502,000	\$ 81,706	\$ 157,938	\$ 244,951	\$ 272,000	\$ 249,346	\$ 249,346	\$ 249,346
Other Income & Expenses	\$ -	\$ 669,999	\$ 621,950	\$ 601,577	\$ 436,000	\$ 448,500	\$ 448,500	\$ 448,500
Total Revenue Offset	\$ 1,103,000	\$ 1,154,067	\$ 1,217,261	\$ 1,297,827	\$ 1,145,500	\$ 1,142,245	\$ 1,142,245	\$ 1,142,245
%of Total Revenue	10%	12%	12%	13%	11%	11%	10%	11%
Grand Total	\$ 11,054,364	\$ 9,921,632	\$ 10,287,117	\$ 10,364,546	\$ 10,684,916	\$ 10,308,091	\$ 11,237,701	\$ 10,273,597

Interrogatory # 65

Reference: VECC Interrogatory #13g &
Exhibit 3, Table 3-23

The response to the VECC interrogatory indicates the forecasted interest in account 4405 is \$161,013 in 2011 and \$110,956 in 2012. Table 3-23 in Exhibit 3 does not include any figures for the bridge and test years shown in account 4405.

- a) Please explain this difference.
- b) How much of the interest forecast in 2011 and 2012 is associated with deferral and variance accounts?
- c) Please explain the significant reduction forecast for 2012 relative to 2011 and the large increase in 2011 relative to the \$38,259 shown for 2010.

- d) Please provide a table that shows the various component of the interest and dividend income in account 4405 for the period 2008 through 2012.
- a) The forecasted interest for 2011 and 2012 was not include in Table 3 – 23 and was updated through HHHI response to VECC Interrogatory question #13g).
- b) The total interest for 2011 and 2012 is for the deferral and variance accounts.
- c) The reduction in 2012 compare to 2011 is because HHHI expects to start recovering the DVA balances effective May 1, 2012. The change from 2010 to 2011 is a result of HHHI netting the interest charges and interest income in 2010, whereas the 2011 number is only the interest income.
- d) Table EP 2-11 shows the various components of the interest and dividend income in account 4405 for the period 2008 through 2012.

Table EP 2-11 : Components of Interest and Dividend Income for 2008 to 2012

Description	2012	2011	2010	2009	2008
4405 Other Revenue / Interest Earned			4,467	11,522	90,452
4405 Interest Earned / Intercompany			64	2,785	13,828
4405 Interest Earned / Variance accounts	110,956	161,013	33,727	10,023	59,789
Total	110,956	161,013	38,259	24,330	164,069

Interrogatory # 66

Reference: Energy Probe Interrogatory #33

Part (b) of the response states that \$286,621 of the increase in OM&A expense between 2010 and 2012 is due solely to the movement to MIFRS. The table immediately preceding this response shows an amount of \$493,040. Please reconcile.

The increase in OM&A expense between 2010 and 2012 due solely to the movement to MIFRS is \$511,430 as presented in HHHI response to Energy Probe Interrogatory question #35. The \$286,621 is the increase from 2011 to 2012.

Interrogatory # 67

Reference: VECC Interrogatory #18 &
Exhibit 4, Tab 2, Schedule 6, Table 4-16

- a) Please provide specific details about the predetermined performance targets in terms of what they relate to and the amount of the potential incentive payments associated with each individual target.
 - b) The forecast for the incentive payment in 2012 is \$77,376 as shown in Table 4-16. Please indicate what the total potential incentive payment is for 2012.
 - c) For each of 2008, 2009 and 2010, please indicate what percentage of the total potential incentive was actually paid out.
- a) The predetermine performance targets are aligned with the overall corporate strategy and can be classified into the following categories:
- **Safety** - HHHI has a Zero Lost Time Safety target and this target is a measure of the corporation as a whole. The weighting by department will vary. Example: The safety weighting for the Operations department will be significantly higher than the safety weighting assigned to the Accounting department. Safety target weighting could range from 5% to 40% of the total potential incentive;
 - **Corporate** - Corporate targets are established for each department and by management level. Example: All departments must operate within approved budgets (OM&A and Capital budgets) and explain/justify +or- budget variances. Corporate target weighting could range from 30% to 40% of the total potential incentive;
 - **Team** - Team targets are established by department and by management level. Example: Customer Care department must meet Telephone Accessibility targets while Operations department must meet Emergency Rural Response targets. Team target weighting could range from 30% to 35% of the total potential incentive;
 - **Individual/Professional Development** - Management staff, focusing on consistently improving their performance set the stage for advancement and accomplishment. Linking program accountability and continuous improvement is critical for employee success and keeping current with the ever changing industry standards. Professional development target weighting could range from 10% to 20% of the total potential incentive.
- b) The total potential incentive payment for 2012 is \$84,600.

- c) The percentage of the total potential incentives actually paid out were 42.6% in 2008 (refer to Exhibit 4, Tab 2, Schedule 3 for explanation), 77.7% in 2009 and 89.7% in 2010.

Interrogatory # 68

Reference: Board Staff Interrogatory #28 &
Exhibit 4, Tab 2, Schedule 3, Table 4-10

- a) HHHI indicates that it will remove \$135,000 related to MDMR costs from the 2012 revenue requirement. Was this amount included in the smart meter expenses line shown as a cost driver in Table 4-10 of Exhibit 4, Tab 2, Schedule 3? If not, please indicate which driver the MDMR costs are included in.
- b) Please provide an updated Table 4-10 to reflect the removal of the MDMR costs and any other changes that result from the interrogatory responses.
- a) Yes. This amount was included in the smart meter expenses line shown as a cost driver in Table 4-10 of Exhibit 4, Tab 2, Schedule 3.
- b) A revised Table 4-10 is provided as Table EP 2-12 below.

Table EP 2-12 : Revised Table 4-10 from Application

OM&A	2008 Actual	2009 Actual	2010 Actual	2011 Bridge Year	2012 Test Year	Cumulative	% Change
Opening Balance	\$ 5,111,058	\$ 5,111,058	\$ 4,436,426	\$ 4,386,371	\$ 4,804,910	\$ 5,111,058	
Change in Salaries and Wages (Note 1)		-\$ 368,359	\$ 181,248	\$ 209,767	\$ 300,743	\$ 323,399	
Change in Benefit Costs		\$ 69,067	\$ 53,430	\$ 54,806	\$ 254,671	\$ 431,974	
Smart Meter Labour Costs (Note 2)				\$ -	\$ 191,195	\$ 191,195	
Smart Meter Expenses (Note 2)				\$ -	\$ 136,515	\$ 136,515	
Tree trimming (Note 3)				\$ 20,000	\$ 230,000	\$ 250,000	
Reduction in Contract Services Cost		-\$ 130,000	-\$ 40,601			-\$ 170,601	
Reduction in Charitable Donation		-\$ 20,905				-\$ 20,905	
Reduction in Maintenance of General Plant			-\$ 143,210			-\$ 143,210	
Additional OM&A resulting from Modified IFRS				\$ 206,419	\$ 286,621	\$ 493,040	
Other OM&A costs (Note 4)		-\$ 224,435	-\$ 100,922	-\$ 72,453	\$ 57,606	-\$ 340,204	
Closing Balance	\$ 5,111,058	\$ 4,436,426	\$ 4,386,371	\$ 4,804,910	\$ 6,262,261	\$ 6,262,261	22.52%

(1) 2009 reduction relates to the impact of staffing changes and severances paid in 2008

(2) Smart Meter OM&A including incremental Labour costs

(3) Incremental increase in Tree Trimming costs

(4) Variances relating to changes in allocation methodologies and cost drivers in 2009 and 2010

Interrogatory # 69

Reference: Board Staff Interrogatory #34c

- a) What is the amount included in the revenue requirement?
- b) Where in the evidence is this amount shown?
- a) Please refer to HHHI response to Board Staff Interrogatory question #34c). The unamortized gain /losses were included in revenue requirement to the extent of the amortization of these amounts over the estimated benefit expense and accrued benefit obligation. For 2010, this amount was \$19,719.
- b) Please refer to Appendix OEB 1-D submitted November 16, 2011.

Interrogatory # 70

Reference: Board Staff Interrogatory #37 &
Exhibit 7, Tab 1, Schedule 2, Table 7-4 &
VECC Interrogatory #21

- a) Please provide an updated Table 7-4 that reflects the updated cost allocation study noted in the response to Board Staff Interrogatory #37. Please also update the Table to reflect proposed revenue to cost ratios.
- b) Please update the response to VECC Interrogatory #21.
- a) The updated Table 7-4 that reflects the updated cost allocation study noted in HHHI response to Board Staff Interrogatory question #37 is presented below as Table EP 2-13.

Table EP 2-13 : Revised Table 7-4 Reflecting Updated Cost Allocation

Class	Revenue to Cost Ratios from 2012 Cost Allocation Model	Proposed Revenue to Cost Ratio	Board Target Low	Board Target High
Residential	95%	99%	85%	115%
GS < 50 kW	112%	100%	80%	120%
GS >50 to 999 kW	91%	97%	80%	120%
GS 1000 to 4,999 kW	136%	120%	80%	120%
Sentinel Lights	57%	97%	80%	120%
Street Lighting	125%	100%	70%	120%
USL	222%	120%	80%	120%

- b) The 2012 revenue shortfall based on VECC Interrogatory question #21 is \$95,443. The update Revenue to Cost Ratios as per VECC # 21c) is presented below in Table EP 2-14.

Table EP 2-14 : Updated Revenue to Cost Ratios

Class	Revenue Cost Ratios from 2012 Cost Allocation Model	Proposed Revenue to Cost Ratio
Residential	95.3%	95.6%
GS < 50 kW	111.9%	111.9%
GS >50 to 999 kW	90.7%	95.6%
GS 1000 to 4,999 kW	135.9%	120.0%
Sentinel Lights	57.2%	95.6%
Street Lighting	125.1%	120.0%
USL	222.3%	120.0%

Interrogatory # 71

Reference: Board Staff Interrogatory #60 &
Energy Probe Interrogatories #39 - #42

- a) Please explain why HHHI proposes to include the land in rate base that will be purchased for transformer and distribution substations that will not be in service until well after the 2012 test year.
 - b) Please explain why HHHI has not accepted the increase in the CCA noted in the response to Energy Probe Interrogatory #39, parts (b) and (c).
 - c) Please indicate how the \$123,301 figure related to the response to Energy Probe Interrogatory #42a has been calculated. Please show all assumptions.
 - d) Please indicate why the reduction in PILS noted in the response to Energy Probe Interrogatory #41 has not been accepted by HHHI.
 - e) Please show the derivation of the tax credit decrease on the revenue requirement of \$23,169 based on the \$31,000 in tax credits noted in Energy Probe Interrogatory #40.
-
- a) HHHI proposes to include the land in rate base as the intended use of the land will be for additional storage of material and vehicles.
 - b) HHHI will accept the changes in Energy Probe Interrogatory question #39 b) and c).
 - c) The \$123,301 figure is the result of the change in the regulated rate of return plus the change in PILs.
 - d) HHHI will accept the reduction in PILs noted in the response to Energy Probe Interrogatory question #41.
 - e) The apprentice tax credit of \$22,000 is taxable resulting in a revenue deficiency of \$7,831. The total tax credit of \$31, 000 less the revenue deficiency of \$7,831 is the \$23,167 reduction to PILs.

Interrogatory #72

Reference: Board Staff Interrogatory #60

- a) Please provide a list of all changes in the format of a tracking sheet (see attached example from Waterloo North) that HHHI proposes to make to the calculation of the revenue requirement and/or revenue deficiency as a result of the responses provided to interrogatories, second round interrogatories or updated/revised evidence. Please include a brief description of the change and the impact on the revenue deficiency.
- b) Please provide an updated RRWF reflecting any changes listed in the response to part (a).
- c) Please provide a list of a changes that HHHI proposes to make to any non-revenue requirement areas such as deferral & variance accounts, cost allocation, rate design, smart meters, etc. as a result of responses to interrogatories, second round interrogatories or updated/revised evidence.

a) [A list of changes is provided in Table EP 2-15.](#)

Table EP 2-15 : Changes Tracking Sheet

Reference	Item	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PILS	OM&A	Service Revenue Requirement	Base Revenue Requirement	Gross Revenue Deficiency
	Original Submission	\$ 3,084,773	6.91%	\$ 44,644,156	\$ 53,119,656	\$ 7,967,948	\$ 1,624,165	\$ 131,542	\$ 6,397,261	\$ 11,237,701	\$ 1,142,245	\$ 929,610
Changes from Round 1 Interrogatories:												
EP #10 a)	Update to include land purchase for 2011 and 2012	\$ 3,130,039	6.91%	\$ 45,324,156	\$ 53,119,656	\$ 7,967,948	\$ 1,624,165	\$ 140,662	\$ 6,397,261	\$ 11,292,087	\$ 1,196,631	\$ 983,996
	Change	\$ 45,266	0.00%	\$ 680,000	\$ -	\$ -	\$ -	\$ 9,120	\$ -	\$ 54,386	\$ 54,386	\$ 54,386
EP #21 b)	Update base on new cost of power on Oct, 2011 RP	\$ 3,134,771	6.91%	\$ 45,392,643	\$ 53,576,234	\$ 8,036,435	\$ 1,624,165	\$ 141,596	\$ 6,397,261	\$ 11,297,753	\$ 1,202,297	\$ 989,662
	Change	\$ 4,732	0.00%	\$ 68,487	\$ 456,578	\$ 68,487	\$ -	\$ 934	\$ -	\$ 5,666	\$ 5,666	\$ 5,666
EP #39 a)	Correct 2011 UCC Ending Balance	\$ 3,134,771	6.91%	\$ 45,392,643	\$ 53,576,234	\$ 8,036,435	\$ 1,624,165	\$ 162,290	\$ 6,397,261	\$ 11,318,447	\$ 1,222,991	\$ 1,010,356
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ 20,694	\$ -	\$ 20,694	\$ 20,694	\$ 20,694
EP #42 a)	Update based on 2012 Cost of Capital	\$ 3,021,911	6.66%	\$ 45,392,643	\$ 53,576,234	\$ 8,036,435	\$ 1,624,165	\$ 152,120	\$ 6,397,261	\$ 11,195,417	\$ 1,099,961	\$ 887,326
	Change	\$ (112,860)	-0.25%	\$ -	\$ -	\$ -	\$ -	\$ (10,170)	\$ -	\$ (123,030)	\$ (123,030)	\$ (123,030)
EP #42 b)	Update to include Ontario tax credits	\$ 3,021,911	6.66%	\$ 45,392,643	\$ 53,576,234	\$ 8,036,435	\$ 1,624,165	\$ 128,951	\$ 6,397,261	\$ 11,172,248	\$ 1,076,792	\$ 864,157
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ (23,169)	\$ -	\$ (23,169)	\$ (23,169)	\$ (23,169)
VECC #23 c)	Update to reflect new Low Voltage charge	\$ 3,023,961	6.66%	\$ 45,422,312	\$ 53,774,025	\$ 8,066,104	\$ 1,624,165	\$ 129,356	\$ 6,397,261	\$ 11,174,703	\$ 1,079,247	\$ 866,612
	Change	\$ 2,050	0.00%	\$ 29,669	\$ 197,791	\$ 29,669	\$ -	\$ 405	\$ -	\$ 2,455	\$ 2,455	\$ 2,455
Changes from Round 2 Interrogatories:												
SEC #25	Update base on new Uniform Transmission Rates	\$ 3,024,176	6.66%	\$ 45,425,539	\$ 53,795,538	\$ 8,069,331	\$ 1,624,165	\$ 129,399	\$ 6,397,261	\$ 11,174,961	\$ 1,079,505	\$ 866,870
	Change	\$ 215	0.00%	\$ 3,227	\$ 21,513	\$ 3,227	\$ -	\$ 43	\$ -	\$ 258	\$ 258	\$ 258
EP # 68 b)	Removal of MDMR costs	\$ 3,022,828	6.66%	\$ 45,405,289	\$ 53,660,538	\$ 8,049,081	\$ 1,624,165	\$ 129,127	\$ 6,262,261	\$ 11,038,341	\$ 942,885	\$ 730,250
	Change	\$ (1,348)	0.00%	\$ (20,250)	\$ (135,000)	\$ (20,250)	\$ -	\$ (272)	\$ (135,000)	\$ (136,620)	\$ (136,620)	\$ (136,620)
EP # 71 b)	Move computer hardware from CCA class 10 to 50	\$ 3,022,828	0.00%	\$ 45,405,289	\$ 53,660,538	\$ 8,049,081	\$ 1,624,165	\$ 119,123	\$ 6,262,261	\$ 11,028,337	\$ 932,881	\$ 720,246
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ (10,004)	\$ -	\$ (10,004)	\$ (10,004)	\$ (10,004)
EP # 71 d)	Change in PILS due to reduction in tax rate	\$ 3,022,828	6.66%	\$ 45,405,289	\$ 53,660,538	\$ 8,049,081	\$ 1,624,165	\$ 65,373	\$ 6,262,261	\$ 10,974,587	\$ 879,131	\$ 666,496
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ (53,750)	\$ -	\$ (53,750)	\$ (53,750)	\$ (53,750)
VECC 13 g)	Update interest income for USoA 4405	\$ 3,022,828	6.66%	\$ 45,405,289	\$ 53,660,538	\$ 8,049,081	\$ 1,624,165	\$ 65,373	\$ 6,262,261	\$ 10,863,631	\$ 768,175	\$ 555,540
	Change	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (110,956)	\$ (110,956)	\$ (110,956)
	Proposed at January 24, 2012	\$ 3,022,828	\$ 0	\$ 45,405,289	\$ 53,660,538	\$ 8,049,081	\$ 1,624,165	\$ 65,373	\$ 6,262,261	\$ 10,863,631	\$ 768,175	\$ 555,540

- b) A completed version of the update Revenue Requirement and RRWF has been submitted in electronic form through RESS and as an attachment to Intervenor in EB-2011-0271.
- c) As a result of interrogatories and second round interrogatories, HHHI has changed the following:
- Deferral and Variance Account Disposition Rate Riders – included the unaudited balance and carrying charges, up to April 30, 2012, for the Special Purpose Charge, USoA 1521;
 - Cost Allocation – updated cost allocation model with HHHI specific weighting factors;
 - Revenue to Cost Ratios – updated the proposed Revenue to Cost Ratios as a result of the updated Cost Allocation;
 - Smart Meter Rate Riders – utilized the Board issued model and allocated costs by classes;
 - LRAM/SSM – updated original 2010 numbers with final OPA numbers for 2010.