

March 14, 2008

**BY E-MAIL AND COURIER**

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

Dear Ms. Walli:

**Re: EB-2007-0681 - Interrogatories from Rogers Cable Communications Inc. (Rogers) to Hydro One.**

Filed with this letter please find three (3) paper copies of interrogatories from Rogers to Hydro One, submitted pursuant to Procedural Order No. 2 herein.

An electronic copy has been filed via e-filing and delivered to Hydro One and its counsel.

Yours truly,

**MACLEOD DIXON LLP**



Robert Frank

RIF/nb

Encl.

cc: Mr. John Armstrong (by e-mail)  
Ms. Paula Zarnett (by e-mail)  
Mr. Glen MacDonald (by e-mail)  
Mr. Don Rogers (by e-mail)

**INTERROGATORIES FOR HYDRO ONE  
from ROGERS CABLE COMMUNICATIONS INC.**

March 14, 2008

1. **[Reference: Exhibit G1, Tab 2, Schedule 3, page 6, Table 7]** Of the 4,917 Unmetered Scattered Load connections, please provide a table showing how many connections are in *each* acquired LDC, in the Legacy G1 class, the Legacy G3 class and the Legacy UG class. In a column of this table, please provide the total kWh of estimated consumption for USL in each of these LDCs and rate classifications, as forecast for the test year and as billed for 2007.
2. **[Reference: Exhibit G1, Tab 2, Schedule 3, page 6, Table 7]**
  - (a) Please explain the rationale for grouping all Unmetered Scattered Load (USL) customers with the low density General Service Energy Billed customers, regardless of their location (i.e. in high or low density areas).
  - (b) Please indicate how many of the 4,917 USL customers proposed to be included in the General Service Energy Billed class are actually located in areas in which customers meet the Urban Density Criteria. For the identified USL customers, please provide estimated aggregate consumption for the test year and as billed consumption for 2007.
  - (c) Please provide a table that compares the rate that would be payable by a USL customer were they to be included in the Urban General Service Energy Billed class (i.e. classified with customers meeting the Urban Density Criteria) with the rate proposed for USL customers under the proposed General Service Energy Billed class.
3. **[Reference: Exhibit G1, Tab 2, Schedule 3, page 6, Table 7]** For the proposed General Service Energy Billed customers as a class, and for each of the subclasses listed in Table 7, please provide the annual load factor.
4. **[Reference: Exhibit G1, Tab 2, Schedule 3]**
  - (a) Please explain the rationale for maintaining a separate rate class for each of Street Lighting and Sentinel Lighting, while continuing to group Unmetered Scattered Load facilities within a more diverse general service class. In the response please include comment regarding any applicable technical difference between these 3 types of load and the relevance of these differences to the determination of when a separate rate class is and is not appropriate.
  - (b) Please provide a table that compares the rate that would be payable by a USL customer were they to be included in the Street Lighting class or the

Sentinel Lighting class (i.e. one column for each of these classes) with the rate proposed for USL customers under the proposed General Service Energy Billed class. Please include any additional explanation relevant to the probative value of this table.

5. **[Reference: Exhibit G1, Tab 3, Schedule 1, page 2, Table 1]**

- (a) Has Hydro One conducted a “Run 2” of the cost allocation study in order to separate Unmetered Scattered Load from the General Service Energy Billed class and compute a separate revenue/cost ratio for USL customers? If so, please provide:
  - (i) A table showing the revenue/cost ratios for Unmetered Scattered Load for the legacy customers and each acquired LDC.
  - (ii) A printed copy of table O1 from each study.
  - (iii) The electronic version of each study.
- (b) If no “Run 2” was made using test year data, please provide any studies prepared based on the test year for 2006 rates.
- (c) If no “Run 2” has been done for the current or 2006 test year, please perform the analysis on the same year of data used to produce the referenced Table 1, and provide the results in electronic form.
- (d) Please explain the nature of any fees charged to, or costs recovered from, Unmetered Scattered Load customers which are not part of the approved rate schedules. Please provide the amounts of each such fee or cost and the total amount of revenue or cost involved. Please explain whether or not any such fees or costs recovered are taken into account in computing the revenue/cost ratio for Unmetered Scattered Load in the Run 2 cost allocation studies, and if not, why not.

6. **[Reference: Exhibit G1, Tab 4, Schedule 5]**

- (a) Please confirm that for the purposes of deriving the fixed charge credit proposed to be applied to USL rates, costs from all of the following accounts have been removed, and please provide the unit rate amounts removed for each account: 5310 (meter reading expenses); 1970 (load management controls - customer premises); 1860 (meters); 5070 and 5075 (customer premises); 5175 (maintenance of meters); 5065 (meter expenses). If any of these costs have not been removed, please explain why.
- (b) Please provide the amount of billing credit applied to USL rates in light of Hydro One's practice of providing summary (vs. account specific) billing.

- (c) If Hydro One were to aggregate all USL facilities commonly owned to one billing account, what would be the additional credit applicable to the USL fixed charge? Could Hydro One do this? If not, why not?
7. **[Reference: Exhibit G1, Tab 4, Schedule 1, page 1, lines 13 to 23; Exhibit G1, Tab 4, Schedule 2, page 2, Table 1]** Please explain the criteria used to determine where in the fixed charge range the proposed fixed charge would be set for each customer class (i.e. at the low end, at the high end, or somewhere in the middle). Please include a description of how the criteria were applied to each customer class to determine the proposed fixed charge for that customer class.
8. **[Reference: Exhibit G1, Tab 8, Schedule 1, page 3, lines 13-18]** Please elaborate on the sentence; *"The shortfall in revenues resulting from this mitigation measure for USL customers is being recovered from the current USL General Service single-phase energy billed customers."* Specifically, what customers are receiving the benefits of mitigation, and what customers are paying for these benefits? What amount is involved in each of 2008, 2009 and 2010? For a USL connection with 436 kWh per month, what is the monthly bill impact of the mitigation in each year? Please show the computation.
9. **[Reference: Exhibit G1, Tab 8, Schedule 1, page 3, lines 13-18]** The general rate mitigation plan proposed includes limiting 2008 total bill impacts to 10%. For USL customers, the principle is to set a volumetric charge that results in annual bill impacts near \$10 per month. Does the USL mitigation proposal result in total bill impacts in 2008 for USL customers of no more than 10%? If not, what is the rationale for adopting a different mitigation proposal for USL customers relative to other customers? If the same mitigation proposal were adopted for all customers (i.e. if USL rate impacts were limited to 10% in 2008), what would the resulting USL rates be?
10. **[Reference: Exhibit G1, Tab 8, Schedule 1, Page 4, Table 2]** If USL is included in the General Service Energy class, and if the range of bill impacts for that class after mitigation, according to Table 2, is a reduction of 8.4% to an increase of 2.5%, should it be concluded that the impact of the proposed rate changes on USL connections would not exceed an increase of 2.5% on a total bill basis? If this is not a correct understanding of Table 2, please explain how to interpret this table.
11. **[Reference: Exhibit G2, Tab 5, Schedule 1, pages 10 and 11; Exhibit G2, Tab 5, Schedule 2, page 10; Exhibit G2, Tab 35, Schedule 1, page 4; Exhibit G2, Tab 35, Schedule 2, page 4]**
- (a) Please verify the correctness of the table below, computing the distribution and total bill impacts for a USL connection with estimated monthly consumption of 436 kWh per month. If any data or computations are not correct, please provide the correct data or computations with an explanation of the correction made.

- (b) Please provide a table that lists proposed total bill and distribution only 2008 vs. 2007 impacts, as percentages, for USL customers in each of the acquired LDC service territories, assuming USL consumption at 436 KWh per month and both before and after application of any rate mitigation proposal.

**Bill Comparison 2008 Proposed Rates and 2007 Approved Rates**  
**Hydro One Networks**  
**Unmetered Scattered Load Connection, 436 kWh per Month**

	Rates		2008		2007		Increase (%)
	2008	2007	Billing	Computed	Billing	Computed	
	Proposed	Approved	Determinant	Bill	Determinant	Bill	
Former G1							
Service Charge	\$ 22.8400	22.16	1	22.8400	1	22.1600	
Distribution Volumetric	\$ 0.0538	0.0312	436	23.4568	436	13.6032	
Regulatory Asset Recovery Rider #1		0.0009	436	-	436	0.3924	
Regulatory Asset Recovery Rider #2	\$ 0.0009	0.0009	436	0.3924	436	0.3924	
Regulatory Asset Recovery Rider #3	\$ (0.0006)		436	(0.2616)	436	0.0000	
Retail Transmission Network Service	\$ 0.0035	0.0052	476	1.6664	476	2.4758	
Retail Transmission Line and Transformer Connection	\$ 0.0032	0.0034	476	1.5236	476	1.6188	
Wholesale Market Service Rate	\$ 0.0052	0.0052	476	2.4758	476	2.4758	
Rural or Remote Rate Protection	\$ 0.0010	0.001	476	0.4761	476	0.4761	
Standard Supply Administration	\$ 0.2500	0.25	1	0.2500	1	0.2500	
Commodity Rate (assumed average)	\$ 0.0500	0.05	476	23.8056	476	23.8056	
Debt Recovery Charge	\$ 0.0070	0.007	436	3.0520	436	3.0520	
Total Bill				\$ 79.68		\$ 70.70	12.7%
Distribution Only				\$ 46.30		\$ 35.76	29.5%
Former G3							
Service Charge	\$ 10.8100	6.29	1	10.8100	1	6.2900	
Distribution Volumetric	\$ 0.0360	0.0307	436	15.6960	436	13.3852	
Regulatory Asset Recovery Rider #1		0.0002	436	-	436	0.0872	
Regulatory Asset Recovery Rider #2	\$ 0.0005	0.0005	436	0.2180	436	0.2180	
Regulatory Asset Recovery Rider #3	\$ (0.0006)		436	(0.2616)	436	0.0000	
Retail Transmission Network Service	\$ 0.0035	0.0052	476	1.6664	476	2.4758	
Retail Transmission Line and Transformer Connection	\$ 0.0032	0.0033	476	1.5236	476	1.5712	
Wholesale Market Service Rate	\$ 0.0052	0.0052	476	2.4758	476	2.4758	
Rural or Remote Rate Protection	\$ 0.0010	0.001	476	0.4761	476	0.4761	
Standard Supply Administration	\$ 0.2500	0.25	1	0.2500	1	0.2500	
Commodity Rate (assumed average)	\$ 0.0500	0.05	476	23.8056	476	23.8056	
Debt Recovery Charge	\$ 0.0070	0.007	436	3.0520	436	3.0520	
Total Bill				\$ 59.71		\$ 54.09	10.4%
Distribution Only				\$ 26.51		\$ 19.68	34.7%
Former UG							
Service Charge	\$ 6.1800	0.79	1	6.1800	1	0.7900	
Distribution Volumetric	\$ 0.0350	0.0274	436	15.2600	436	11.9464	
Regulatory Asset Recovery Rider #1		0.0003	436	-	436	0.1308	
Regulatory Asset Recovery Rider #2	\$ 0.0003	0.0003	436	0.1308	436	0.1308	
Regulatory Asset Recovery Rider #3	\$ (0.0006)		436	(0.2616)	436	0.0000	
Retail Transmission Network Service	\$ 0.0035	0.0052	476	1.6664	476	2.4758	
Retail Transmission Line and Transformer Connection	\$ 0.0032	0.0033	476	1.5236	476	1.5712	
Wholesale Market Service Rate	\$ 0.0052	0.0052	476	2.4758	476	2.4758	
Rural or Remote Rate Protection	\$ 0.0010	0.001	476	0.4761	476	0.4761	
Standard Supply Administration	\$ 0.2500	0.25	1	0.2500	1	0.2500	
Commodity Rate (assumed average)	\$ 0.0500	0.05	476	23.8056	476	23.8056	
Debt Recovery Charge	\$ 0.0070	0.007	436	3.0520	436	3.0520	
Total Bill				\$ 54.56		\$ 47.10	15.8%
Distribution Only				\$ 21.44		\$ 12.74	68.3%
Loss Factor			1.0920		1.0920		
Fenelon Falls							
Service Charge	13.0200	9.43	1	13.0200	1	9.4300	
Distribution Volumetric	0.0200	0.0095	436	8.7200	436	4.1420	
Regulatory Asset Recovery Rider #1		0.0015	436	-	436	0.6540	
Regulatory Asset Recovery Rider #2	0.0008	0.0008	436	0.3488	436	0.3488	
Regulatory Asset Recovery Rider #3	-0.0006		436	(0.2616)	436	0.0000	
Retail Transmission Network Service	0.0035	0.005	476	1.6664	460	2.2988	
Retail Transmission Line and Transformer Connection	0.0032	0.0043	476	1.5236	460	1.9770	
Wholesale Market Service Rate	0.0052	0.0052	476	2.4758	460	2.3908	
Rural or Remote Rate Protection	0.001	0.001	476	0.4761	460	0.4598	
Standard Supply Administration	0.25	0.25	1	0.2500	1	0.2500	
Commodity Rate (assumed average)	0.05	0.05	476	23.8056	460	22.9881	
Debt Recovery Charge	0.007	0.007	436	3.0520	436	3.0520	
Total Bill				\$ 55.08		\$ 47.99	14.8%
Distribution Only				\$ 21.74		\$ 13.57	60.2%
Loss Factor			1.0920		1.0545		

12. **[Reference: Exhibit G2, Tab 96, Schedule 1, page 85]** Please confirm that there are no plans to require metering of any USL location not currently metered.