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ONTARIO ENERGY BOARD



1 Greendale Drive, Caledonia, ON, N3W 2J3 Tel: (905) 765-5344 Fax: (905) 765-5316

December 21, 2007

*60  
Dec. 24/07*  
Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

*EB-2007-0859.*

OEB BOARD SECRETARY	
File No:	Sub File: <i>10.</i>
Prod	<i>PS, PV, MTH,</i>
Licensing	<i>PD, LR.</i>
Other	
CO/04	<i>NS</i>

Attention: Kirsten Walli  
Board Secretary

**Re: Haldimand County Hydro Inc. (EB-2007-0859)  
2008 Incentive Regulation Mechanism ("2008 IRM") Rate Application  
Responses to Board Staff Interrogatories**

Dear Ms. Walli:

Haldimand County Hydro Inc. hereby submits its Responses to Board Staff Interrogatories in conjunction with the Board Staff's review of our 2008 Incentive Regulation Mechanism ("2008 IRM") Rate Application, and in particular, correspondence in this regard, dated December 13, 2007 from Janet Sakauye, Case Administrator (copy attached).

Please find enclosed 3 paper copies. In addition an electronic copy, in searchable PDF format, has been forwarded to your attention by email today.

Haldimand County Hydro Inc. respectfully submits their responses for the Board's consideration.

Yours truly,  
HALDIMAND COUNTY HYDRO INC.

*J. A. Scott*

Jacqueline A. Scott  
Finance Manager

**1. Ref.: 2008 IRM Model, Sheet 3 (2007 Tariff Sheet)**

Question

Allowances - In row 447, you have input the billing determinant unit for "Transformer Allowance for Ownership – per kW of billing demand/month" as "\$". A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the unit for this item should be "\$ / kW".

Response – Allowances

**Excluding the "/kW" with respect to the billing determinant unit for "Transformer Allowance for Ownership – per kW of billing demand/month" was a simple transcription error. It should read "\$ / kW", the same as our current 2007 Board approved Tariff of Rates and Charges.**

## **2. Ref.: 2008 IRM Model, Sheet 13 (Bill Impacts by Consumption)**

### Question

Haldimand County Hydro Inc. indicates that the total bill impact for the Sentinel Lighting class may exceed 10% for certain consumption profiles. Please provide the rationale for not proposing any rate mitigation for the Sentinel Lighting class at this time. Please indicate what would be the total bill impact for this rate class, including the consumption profiles referenced above, resulting from your RTS proposal.

### Response – Sentinel Lighting Bill Impacts by Consumption

Haldimand County Hydro Inc. does not propose any rate mitigation for the Sentinel Lighting class at this time. The total bill impact for this class only exceeds 10% for certain consumption profiles due to the elimination of the Regulatory Asset Rate Adder (“RAR”) effective April 30, 2008. The RAR adder for the Sentinel Lighting class is a credit of \$(2.0665) / kW. If rate mitigation were to be applied, consideration would have to be given to phasing out the RAR credit.

The total bill impact for this class may still exceed 10% for certain consumption profiles even with the inclusion of Haldimand County Hydro Inc.’s 2008 Proposed Retail Transmission Rate (“RTS”) Adjustment. These bill impacts are shown in the following Table 1.

**Table 1: Bill Impacts with proposed RTS Adjustment**

Consumption kWh	Consumption kW	2007 Bill	2008 Bill	Difference \$	Bill Impact %
50	1	\$11.60	\$13.54	\$1.93	16.7%
75	1	\$13.45	\$15.38	\$1.93	14.4%
100	1	\$15.29	\$17.22	\$1.93	12.6%
150	1	\$18.98	\$20.91	\$1.93	10.2%
200	1	\$22.66	\$24.60	\$1.93	8.5%

If you analyze the base Distribution rate per kW, (that is, excluding the RAR), between the two rate periods, May 1, 2007 and May 1, 2008, including the RTS proposed adjustment, the total bill impact for the Sentinel Lighting class is actually a decrease. The following Table 2 demonstrates these bill impacts.

**Table 2: Bill Impacts 2008 over 2007, excluding RAR, proposed RTS Adjustment**

Consumption kWh	Consumption kW	2007 Bill	2008 Bill	Difference \$	Bill Impact %
50	1	\$13.80	\$13.54	\$(0.26)	(1.9)%
75	1	\$15.64	\$15.38	\$(0.26)	(1.6)%
100	1	\$17.48	\$17.22	\$(0.26)	(1.5)%
150	1	\$21.17	\$20.91	\$(0.26)	(1.2)%
200	1	\$24.85	\$24.60	\$(0.26)	(1.0)%

**Ontario Energy  
Board**  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416-481-1967  
Facsimile: 416-440-7656  
Toll free: 1-888-632-6273

**Commission de l'énergie  
de l'Ontario**  
C.P. 2319  
27e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416-481-1967  
Télécopieur: 416-440-7656  
Numéro sans frais: 1-888-632-6273



**BY E-MAIL ONLY**

December 13, 2007

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Haldimand County Hydro Inc.  
2008 Incentive Regulation Mechanism (2008 IRM) Rate Application  
Board File Number EB-2007-0859**

Please find attached Board Staff Interrogatories for the above proceeding for distribution to the applicant and any intervenors.

Yours truly,

*Original Signed By*

Laurie Reid  
Senior Policy Advisor, Regulatory Policy Development

Encl.

**2008 Incentive Rate Mechanism Application  
Ontario Energy Board Staff Interrogatories for  
Haldimand County Hydro Inc. — EB-2007-0859**

Please clarify whether this was an error, confirming what the correct entry should have been, or provide a complete explanation for the discrepancies. The format of the response should repeat the references and interrogatories.

**Ref.: 2008 IRM Model, Sheet 3 (2007 Tariff Sheet)**

**1. Allowances**

In row 447, you have input the billing determinant unit for "Transformer Allowance for Ownership – per kW of billing demand/month" as "\$". A review of your current 2007 Board approved Tariff of Rates and Charges indicates that the unit for this item should be "\$/kW".

**Ref.: 2008 IRM Model, Sheet 13 (Bill Impacts by Consumption)**

2. Haldimand County Hydro Inc. indicates that the total bill impact for the Sentinel Lighting class may exceed 10% for certain consumption profiles. Please provide the rationale for not proposing any rate mitigation for the Sentinel Lighting class at this time. Please indicate what would be the total bill impact for this rate class, including the consumption profiles referenced above, resulting from your RTS proposal.