9/12/08

To: ONTARIO ENERGY BOARD

Fax #: 1-416-440-7656

Re: HYDRO ONE NETWORK'S APPLICATION FOR AN ELECTRICITY TRANSMISSION REVENUE REQUIREMENT CHANGE.

Date: DECEMBER 8, 2008

FACSIMILE

Pages: Two (2), including this cover sheet.

File No.: EB-2008-0272

RECEIVED

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ONTARIO ENERGY BOARD
OFFICE OF THE BOARD SECRETARY

Attention:,Ms. KIRSTEN WALLI

Dear MsWalli:

Please find my supplementary interrogatories on page two of this fax. The reason for these is that the general state of the economy and the employment/unemployment changed since September dramatically and so did some of the issues that were identified two months ago.

OEB BOARD SECRETARY	
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Yours truly,

Lewis J. Balogh.

LB./

From the desk of...

Lewis Balogh
Owner
Balogh Farms & Vineyard
RR #3 Langton
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519-875-4625
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EB-2008-0272

Lewis J. Balogh: SUPPLEMENTARY INTERROGATORIES FOR HYDRO ONE

Issue 2.2: Are the revenue forecasts appropriate?

1. The outlook for the next 24-30 months presents a possible negative growth of the economy, possibly even a recession. In view of this, is it realistic to plan for an ROE of 8.53% and 9.35% for 2008, 2009 respectively?

2. Hydro One seeks a yearly revenue increase of 8% from 2009, while the four-year seasonally adjusted CPI is about 1.81%.
   How is this justified?

3. If and when Hydro One carries on business with entities in the United States, how does Hydro One manage the wide fluctuations of the rate of exchange between the two currencies?

Issue 3.1: Are the proposed spending levels for Sustaining Development and Operations OM&A in 2009 and 2010 appropriate, including consideration of factors such as system reliability and asset condition?[sic]

4. The cost estimate for vegetable management is $47.9 million. As this work is seasonal, would it not be more cost-effective to contract it out to companies that specialize in that type of business? It could also lessen the need for replacing some of the retiring employees.

5. The OM&A is estimated to increase in 2009 by 8% and in 2010 by a further 3% due to the aging of equipment. Does Hydro One maintain a capital reserve in its budget to replace them?
   Would the depreciation of the equipment approaching their useful life, if allowed, reduce the capital expenditure of their replacement?