



**SHIBLEY RIGHTON LLP**  
Barristers and Solicitors

John De Vellis  
Direct Line 416-214-5232  
Direct Fax 416-214-5432  
john.devellis@shibleyrighton.com

**RECEIVED**

**FEB 23 2009**

**ONTARIO ENERGY BD**

February 23, 2009

**TORONTO OFFICE:**  
250 University Avenue, Suite 700, Toronto, Ontario, M5H 3E5  
Main 416 214-5200 Toll free 1-877-214-5200  
Facsimile 416 214-5400

**WINDSOR OFFICE:**  
2510 Ouellette Avenue, Suite 301, Windsor, Ontario, N8X 1L4  
Main 519 969-9844 Toll free 1-866-422-7988  
Facsimile 519 969-8045  
www.shibleyrighton.com

Please reply to the TORONTO OFFICE

File No. 2090011

**BY COURIER**

23/2/09  
Ontario Energy Board  
2300 Yonge Street  
27<sup>th</sup> Floor  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

**Re: London Hydro Inc. EB-2008-0235**

EB-2008-0235

OEB BOARD SECRETARY	
File No:	3 to File: 9
Panel	PS, CC, DC
Licensing	KL
Other	
00/04	NY

Please find enclosed a copy of the Interrogatories of the School Energy Coalition in respect of the above-captioned matter. An electronic copy has already been sent to the parties.

Yours truly,

**SHIBLEY RIGHTON LLP**

per

John De Vellis  
JDV/tw  
Enclosures

**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  
London Hydro Inc. for an Order or Orders  
approving or fixing just and reasonable rates and  
other charges for the distribution of electricity  
commencing May 1, 2009.**

**INTERROGATORIES  
of the  
School Energy Coalition**

**General**

1. Re: Exhibit 1, p. 47: with respect to the OM&A per customer chart, please provide the equivalent value for London Hydro for the 2009 test year using the forecast customer numbers and OM&A budget.
2. Ref. Exhibit 1, p. 51: please provide the distribution revenue for 2008. (i.e. the 2008 equivalent for the \$52,457,928 shown in the table).

**Rate Base and Capital Expenditures**

3. Ref. Exhibit 2: please provide London Hydro's capital expenditures, broken down by major category, from 2006 actual to 2009.
4. Please reconcile the capital spending table found at Exhibit 2, pg. 18, lines 2-3 with the table found at Exhibit 2, p. 133. The two tables appear to both report total capital expenditures for various years but the amounts differ.
5. Please identify all 2009 capital expenditures that are customer growth related and state whether assumptions underlying those projects have changed in view of recent economic conditions.

**Operating Costs**

6. Exhibit 4, p.7-8:
- (a) Please provide a copy of the directives provided to department managers regarding the preparation of the 2009 departmental budgets;
  - (b) Please provide copies of the work plans, or budgets, provided to senior management by the department managers.
  - (c) If different from above, please provide copies of the labour plans submitted to senior management by department managers.
7. Ex. 4, p. 23: Employee Complement
- (a) Please provide an update on the number of new staff for 2009 hired thus far.
  - (b) Please insert a column in Table 17 to show 2006 actuals.
  - (c) Please provide a breakdown of where the additional 16 FTE's (over 2007) will be working and what work they will be doing.
8. Please provide the proportion of labour expenses charged to OM&A and capital from 2006 to 2009.
9. Ex. 4: aging workforce
- (a) The demographic information provided at Table 12 (p. 16) shows the average age and years of service for London Hydro's workforce to be 45.8 and 16.8 respectively. Please explain why London Hydro anticipates a large number of retirements in the next five years.
  - (b) Please set out the retirement rules pursuant to London Hydro's pension plan- at what combination of age and years of service are employees eligible for a full pension? What proportion of employees will meet that threshold in 2009 vs. 2013?
  - (c) Please provide the total dollars in 2009 OM&A that are due to retirement planning issues- whether succession planning, training costs, etc.
10. Ex. 4: base labour costs
- (a) Please provide a more detailed breakdown for the increase in base labour costs in each of the years 2006, 2007, 2008 and 2009. For each year, for example, please provide the dollar amount of base labour increases that were due to overall wage increases, grid increases, succession planning,



new hires not related to succession planning, and "corporate re-organization and industry changes."

- (b) For new hires not related to succession planning, please explain the reason for the new hires;
- (c) Please explain what is meant by the term "corporate re-organization and industry changes", as it appears Exhibit 4, p. 17.

11. Ex. 4: Account 5085

- (a) Please quantify the impact of each of the major drivers of the increase in this account as set out on pp.60-62 (call locates, new meter installation, building maintenance, labour cost increases, etc.);
- (b) For each of these major cost drivers for the increase in this account, please set out what assumptions were made for 2009 and how they differ from 2007 and 2008. For example, how many locates are projected in 2009 and how does this compare to 2007 and 2008?

12. Ex. 4, Meter Reading Expense- Account 5305

- (a) What is the basis for the assumption that the external contractor costs for meter reading will increase by \$30,900 in 2009?
- (b) Please provide a breakdown of the anticipated increase in this account that is due to labour cost increases.
- (c) Please explain whether any costs in this account have been decreased as a result of expenses being recorded to the smart meter deferral accounts. If so, what are they?

13. Ex. 4: Operations USoA Accounts

- (a) A number of the Operations accounts show significant variances in the historical years, yet no explanation is provided as the dollar values do not meet the materiality threshold. Therefore:
  - (i) Please explain what accounts for the 32% increase in account 5005 from 2006 actual to 2008;
  - (ii) Please explain the increases in accounts 5005 to 5035 from 2006 actual to 2009.

14. Ex. 4, Appendix A- Maintenance USoA accounts

- (a) Pg. 89 of 174, Schedule 6: the table shows a of USoA Maintenance accounts with significant variances from 2006 actual to 2008, with additional increases in 2009. There do not appear to be any explanations for these increases in the pre-filed evidence. Therefore, please provide an explanation for the increases in accounts 5105 to 5175 from 2006 actual to 2008.

**Cost Allocation**

15. Ex. 8

- (a) Please provide the distribution revenue collected from each rate class for the years 2006, 2007, 2008, and 2009;
- (b) Please explain whether London Hydro intends on any further movements in revenue to cost ratios towards 100% after 2010. If not, why not?
- (c) Please explain whether and when London Hydro intends to move all rate classes towards 100% revenue to cost ratios.

16. Exhibit 9: Rate Design

- (a) Please provide the avoided cost (lower bound) and the avoided costs plus allocated customer costs (upper bound) for each of the general service rate classes.