



**VIA RESS, EMAIL AND COURIER**

October 28, 2008

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

Dear Ms. Walli:

**Re: AMPCO Interrogatories - 2009 Electricity Distribution Rates  
Innisfil Hydro Distribution Systems Limited  
Board File No. EB-2008-0233**

In accordance with Procedural Order No. 1 dated October 6, 2008, attached please find AMPCO's interrogatories on the above application.

Please contact Christine Dade at 416-938-5143 if you have any questions or require any further information.

Sincerely yours,

ORIGINAL SIGNED BY

Adam White  
President

Copies to: Applicant and Intervenors

**Association of Major Power Consumers in Ontario**

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**AMPCO Interrogatories  
2009 Electricity Distribution Rates  
Innisfil Hydro Distribution Systems Ltd.  
EB-2008-0233**

**Interrogatory #1**

**Ref:** Exhibit 8, Tab 1, Schedule 2, Page 4

In Table 4, Innisfil Hydro details the proposed Revenue to Cost (R/C) Ratios for each customer class. Three classes are currently over the 100% level and are therefore cross subsidizing the other classes. The GS>50 kW class has the highest level of over-contribution. In 2009, Innisfil's proposed approach is to move the R/C ratios of the GS>50kW to 135.8%, down from the study findings of 146.6%.

Over what period of time is Innisfil Hydro planning to move its cost allocation ratios to 100% for all customer classes?

**Interrogatory #2**

**Ref:** Exhibit 8, Tab 1, Schedule 2, Page 4

In Table 4, Innisfil Hydro shows an extreme difference in the cost allocation findings for their street light customer compared to other customers:

- a) Why hasn't Innisfil Hydro moved this customer class to at least the lowest ratio as noted in the Board's guidelines?
- b) Is this the correct cost of service for this customer?

**Interrogatory #3**

**Ref:** Exhibit 4, Tab 1, Schedule 1, Page 1

Table 1 outlines the total OM&A costs for the 2008 and 2009 years. By using these figures less the amortization and using the forecasted customer count, the OM&A cost to customer is increasing from \$225 per customer (PEG report 2007) to \$247.70 in 2008 and \$272.83 in 2009. (10% increase in costs from year to year)

Please explain Innisfil's attempts to maintain a lower cost for this expense.

**Interrogatory # 4**

Please provide the data for the following table:

| <b>Customer Size</b> | <b># of Customers</b> | <b>Total Annual kWhs</b> | <b>Average Monthly Usage</b> | <b>Average Peak kW – monthly</b> |
|----------------------|-----------------------|--------------------------|------------------------------|----------------------------------|
| 50 kW - 250 kW       |                       |                          |                              |                                  |
| 251 kW - 500 kW      |                       |                          |                              |                                  |
| 501 kW- 1000 kW      |                       |                          |                              |                                  |
| 1001kW – 3000kW      |                       |                          |                              |                                  |
| 3001 kW - 5000 kW    |                       |                          |                              |                                  |

**Interrogatory #5**

**Ref:** Exhibit 9, Tab 1, Schedule 1, Page 6, Table 8

As noted in the “Recovery of Low Voltage Costs”, Innisfil Hydro is allocating these costs as per the Board’s 2006 EDR Model. The allocation applied to the GS>50 kW is high given that it is spread over a smaller customer base and affects each customer by increasing their costs by \$1,277.60 annually.

Please provide the percentage allocation of the Low Voltage Costs in Innisfil’s previously approved rate application for the GS>50 kW class.

**Interrogatory #6**

**Ref:** Exhibit 9, Tab 1, Schedule 7, Page 1

In the proposed Schedule of Rates and Charges, Innisfil is showing rate riders for Regulatory Assets across the customer base.

- a) Please provide the allocation of the costs of the rate rider for the Regulatory Assets, and how they were allocated.
- b) Please provide a schedule of when Innisfil expects this rate rider to end.

**Interrogatory #7**

**Ref:** Exhibit 8, Tab 1, Schedule 2, Page 2

With reference to the OEB Cost Allocation methodology:

- a) Please provide a table of monthly fixed charges that would be calculated for each customer class served by Innisfil Hydro using the three methods in the OEB methodology: i) avoided cost ii) directly related customer costs and iii) minimum system with PLCC adjustment.
- b) Please provide a copy of the 2006 cost allocation study submitted to the OEB or a URL reference.