

**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

December 10, 2008

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Board Staff Submission - Procedural Order No. 3
COLLUS Power Corp. ("COLLUS")
Application for Approval of 2009 Electricity Distribution Rates
Board File No. EB-2008-0226**

The following is the submission of the Board staff on the procedural issues identified in the Board's Procedural Order No. 3 that was issued on December 3, 2008:

a) Whether Further Discovery is Required, Either in the Form of Further Interrogatories or a Technical Conference

Response to Board Staff IR #2.3 – Long-term Debt:

COLLUS appears to have misunderstood the request in Board staff interrogatory 2.3 parts "a" and "b" that it provide breakdowns of total long term debt outstanding by year and related interest costs and has not provided this information.

Response to Board Staff IR #3.7 – Service Quality and Reliability:

COLLUS was asked in Board staff interrogatory 3.7 to provide information on its key service reliability indicators for the years 2002 through 2007 and its 2008 and 2009 reliability improvement targets as well as a copy of the plan that identifies programs or projects that COLLUS will undertake to achieve the 2008 and 2009 service reliability improvement targets.

In response to this interrogatory, COLLUS has not stated how it derived the service reliability targets for 2008 and 2009.

Response to Board Staff IR #4 – Smart Meters:

Board staff notes that COLLUS has made changes to its application through the response to this interrogatory by requesting an increase in the smart meter rate adder to \$1.00. The Applicant has not provided an overall update of its application to reflect these changes.

In its submission to the Board dated December 9, 2008, COLLUS acknowledged the change in the smart meter funding and stated that the impact of change in smart meter funding would be \$0.74/customer/month equating to approximately \$130,000 of an annual increase. Board staff notes that COLLUS has not filed with the Board the relevant updated parts of the application to reflect this change. Board staff submits that COLLUS should file with the Board correct and relevant information so that the Board can make its decision based on an accurate record.

Response to Board Staff IR #6.1 – Weather Normalization:

In response to this Board Staff interrogatory, COLLUS has filed additional information provided by Hydro One to support the calculation of the normalized historical load in response to part “a”. Staff would invite COLLUS to reconcile the differences between data in this response and NAC values provided in the evidence, Exhibit 3, Tab 2, Schedule 2, Page 4, Table 2.

Response to Board Staff IR #6.2 – Economic and Growth Projections:

Part “b” of this Board Staff interrogatory asked COLLUS to demonstrate how it used the information related to the applications for subdivision expansions to forecast customer numbers for 2008 and 2009. In Table 1 of its response, COLLUS provided information on Permits Issued and Dwelling Units Created on a monthly basis for the years 2005 to 2008. Staff is unclear how some of the numbers in this table relate to the information provided in Exhibit 3 Tab 2 Schedule 2 Page 1 Table 1 “Customer and Connections By Class.” For instance in the case of 2006, total Dwelling Units Created are shown as 302, whereas an increase of only 100 residential customers is shown in that same year in the Exhibit 3 table.

Response to Board Staff IR #6.6 – Other Distribution Revenue:

In its responses to the Board staff IR #6.6, COLLUS stated that the interest revenue projection for 2009 would be adjusted by an estimated \$68,856 due to the removal of COLLUS’ request about not having to include interest earned on retained earnings in revenue offsets. Board staff notes that COLLUS has not filed with the Board the relevant updated part of the application due to this change. Board staff submits that COLLUS should file with the Board correct and relevant information so that the Board can make its decision based on an accurate record.

Response to Board Staff IR #7.1 – Disposition of Deferral and Variance Accounts:

In response to Board staff interrogatory 7.1, COLLUS stated that it is not requesting disposition of any deferral and/or variance accounts in this application. However, in response to VECC interrogatory #24, COLLUS states that the requested disposition of Account #2405 has no impact on the proposed distribution revenue requirement for 2009. COLLUS' responses to these interrogatories appear to be in contradiction to one another. If the Board decides to allow for a second phase of interrogatories, staff would propose asking a clarification question on this issue. In the absence of a second round of interrogatories, staff can raise this issue in the staff submission and request that parties comment on it.

Board staff submits that a second round of interrogatories will be helpful in clarifying the case record.

All of which is respectfully submitted.

Yours truly,

Original signed by

Daria Babaie
Manager

cc: Mr. Darius Vaiciunas - COLLUS Power Corp.
All parties