

**IN THE MATTER OF the *Ontario Energy Board Act, 1998, S.O. 1998, c.O.15, Sch. B;***

**AND IN THE MATTER OF an Applications by EnWin Utilities Ltd. for an Order or Order setting just and reasonable rates commencing May 1, 2009.**

**INTERROGATORIES  
OF THE  
SCHOOL ENERGY COALITION**

**General Questions**

1. Please advise the number of schools that are customers of the Applicant, broken down between GS<50 and GS>50 classes.
2. Please provide the Applicant's views on the most recent PEG Benchmarking ranking of the Applicant, together with any explanation available (positive and/or negative) for the efficiency level of the Applicant relative to other LDCs.
3. Please provide a copy of the Applicant's most recent multi-year year strategic plan, including assumptions, forecast, budgets, narrative, and any updates.
4. [Exhibit 1/1/14, p.2] Please provide a full description of the relationship between EWE and EWU relating to conservation and demand management activities, and provide any agreements, memoranda, or other documents setting out the terms of that relationship.
5. [1/2/1, p.3] Please file a live copy of the Ratemaker 2009 Cost of Service and PILs models, populated with the Applicant's data used in this Application.
6. [1/2/3] Please file a table showing the primary drivers of the deficiency (e.g. load decline, OM&A increases by category, etc.).
7. [1/3/1, p.16] Please file the Management Services Agreements referred to, together with any amendments, revisions, updates, service schedules, or other documents evidencing the current terms under which those services are being provided.
8. [1/3/5] Please file the most recent DBRS Rating Reports for EDFC and the Applicant, or any updates to the November 2007 reports currently filed.

9. [1/3/5] Please provide details of any plan or strategy of the Applicant to respond to the current economic downturn in the Windsor area (and throughout North America), including cost containment, participation in any local stimulus programs, and any other activities. Please provide copies of any planning documents or other material evidencing the Applicant's intended response to the downturn.

### **Rate Base**

10. [2/1/1, p.2] Please provide actual working capital from the balance sheet (ie. current assets less current liabilities) for each of 2005 through 2007, plus 2008 forecast and 2009 projected. If it is possible to provide averages for each year (as opposed to a year end snapshot) please provide that as well.
11. [2/1/1, p.9] Please provide a chart of the ten largest externally driven projects planned for 2009, including the nature of the project, the entity requiring that it be done, the total cost (broken down by year for multi-year projects), contributions from others, and current project status.
12. [2/1/1, p.17] Please provide a chart showing all capital projects that have been moved from 2006, 2007, 2008 or 2010 to 2008 or 2009.
13. [2/1/1, p.26 and others] Please provide a chart showing all amounts in the capital and operating budgets presented in the Application that are expected to be paid to any affiliates, broken down into the areas in the Application in which they appear.
14. [2/1/1, p.36] Please file the "internal analysis" referred to.
15. [2/1/1, p.43] Please provide a chart showing all capital and operating expenditures in each of 2007, 2008 and 2009 relating to information technology, whether included in the information technology budget or included in other budgets of the Applicant. Please provide a description of the Applicant's information technology department, including number of FTEs (actual, and net of those allocated to affiliates), total direct and indirect budgets, and major changes expected in the department in the Test Year.
16. [2/1/1, p.50] Please provide the business case for the project management office. If no business case has been prepared, please provide any capital and operating budgets for the project management office currently in existence, together with details of savings in other parts of the Applicant as a result of the implementation of this office.
17. [2/1/1, p.56] Please confirm that the new financial reporting software is IFRS compatible. Please provide the quote or proposal for this software as provided by the vendor or the system integrator. Please advise how this new tool relates to the Comprehensive ERP system.
18. [2/1/1, p.60] Please confirm that the SJH Consulting report, which states that it was prepared "in conjunction with" the Applicant, was a joint study by the consultant and the utility. Please identify all steps, if any, taken to ensure that SJH provided an independent assessment of the utility's IT infrastructure.

19. [2/1/1, p.61] To the extent not included in the business case or other materials filed in response to VECC IR #7, please file a detailed statement showing all capital and operating costs associated with the ERP project, by year and by type, together with the quantified benefits to be derived from the project, by year and by type, as well as any backup documentation in the Applicant's possession supporting the costs and benefits.
20. [2/1/1, p.61] Please provide a chart, in the same form as provided by Horizon Utilities in EB-2007-0697, in their answer to Schools Interrogatory #13M, at pages 75-81 of their response (available on RESS, or we will provide a copy if you so request), detailing the revenue requirement impacts by year of the EnWin ERP system. Please provide a detailed explanation as to why the EnWin system is expected to be significantly more expensive than the Horizon system.
21. [2/2/1, p.5-8] Please provide a detailed explanation of the amounts in the column "Ret/Other" of this chart.
22. [2/2/1] Please file a copy of the capital spending plan that was in effect in each of 2006, 2007 and 2008, and explain any differences between the plan for the year and the actuals. If there was a multi-year capital spending plan or plans covering any part or parts of this period, please file as well.
23. [2/2/2] Please provide an explanation for each of the bold figures in the column detailing the variances between 2006 actual and 2007 actual, and those in the column detailing the variances between 2006 Board-approved and 2006 actual.
24. [2/3/3] Please provide or detail the Applicant's capitalization policies relating to capitalization of internal staff costs, allocation of internal expenditures between capital and operating, and capitalization of overheads (including any loading used for this purpose).
25. [2/4/1] Please provide any internal or external lead-lag studies in the possession of the Applicant, and any memoranda, reports, studies or other documents dealing with the payment lag for customers generally or in any particular class or sub-class. If the Applicant has taken or plans to take any steps to change payment terms for any customers, please provide details of the impact of such steps on payment lag.

### **Revenues**

26. [3/3/1, p.1] Please explain why the Applicant believes that, in a weak economy, late payment charges will decline in total.

### **Operating Costs**

27. [4/2/1, p. 6] Please provide any report, analysis or other document detailing the reason that EnWin has predetermined it will file for cost of service in 2010 for 2011. Please estimate the incremental cost of that additional filing, and explain why the Applicant believes that cost should be for account of the ratepayers.

28. [4/2/1, p.9] Please provide a chart showing storm costs included in all expense categories for each year from 2006 to 2009.
29. [4/2/2, p.2] Please provide an enterprise-wide chart (for 2006 through 2009) of FTEs and compensation, with the allocation between each business unit and the rationale for that allocation. Please use the format set out in Table 5 of Board Staff interrogatories, at page 12.
30. [4/2/2, p.8] Please explain why compensation charged to Operations and Maintenance does not include any Executive, Management, or other non-unionized personnel.
31. [4/2/3, Attach. A and C] Please provide a list, for each Attachment, of the ten largest suppliers, together with the total amount paid for the year. Please provide a total dollar amount, for each year, of all suppliers whose services are listed as “consulting” or any variation, e.g. “consulting-legal”, “WSIB Consulting”, etc. Please provide a forecast of total consulting costs for 2009.
32. [4/2/4, p.3] Please file any directions, guidance, or advice provided by the Board or Board staff in writing (including letters and emails, if any) on the appropriate structure to be implemented by the “family of utilities”.
33. [4/2/4, Attach. B] With respect to the BDR study:
  - (a) Please provide a copy of the agreement between the Applicant and the consultant, together with copies of any RFP, terms of reference, or other document describing the purpose, scope, goals, and/or restrictions related to the study.
  - (b) Please provide a copy of any previous study carried out by BDR with respect to the Applicant.
  - (c) Please explain why the study did not include comments or opinion on a) the overall level of costs, b) operational synergies from sharing resources, c) correctness of the expenditure amounts, or d) compliance with ARC.
  - (d) Please confirm that the consultant believes the same principles are appropriate for cost allocation between rate classes as for cost allocation between affiliates and/or business units. Please explain how this principle was applied in this study.

### **Cost Allocation and Rate Design**

34. [8/1/1] Please file a chart of rates that would be in effect in 2009 if all revenue to cost ratios were set to 1:1, and all fixed monthly charges were set at the mid-point of the Board’s recommended range.
35. [8/1/1] Please provide the Applicant’s rationale for continuing to have commercial and industrial customers pay rates substantially in excess of cost recovery during an economic downturn. Please provide any reports, studies, memoranda, or other documents (including electronic

documents) in the possession of the Applicant dealing with the impact of revenue to cost ratios during an economic downturn.

36. [10/1/1] Please provide a chart showing the range of fixed charges as recommended by the Board and based on the Applicant's cost allocation study, for each class, together with the proposed fixed charge for each class for the Test Year, and an explanation for any discrepancies. Please explain why the Applicant is proposing to increase the fixed charge for GS>50 by a greater percentage than the increase in GS<50.

Respectfully submitted on behalf of the School Energy Coalition this 10<sup>th</sup> day of December, 2008

**SHIBLEY RIGHTON LLP**

Per: \_\_\_\_\_  
Jay Shepherd