CENTRE WELLINGTON HYDRO LTD.
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Keith Roszell, Chair
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Audrey McNiven-Reid, Director

December 15, 2008

Ontario Energy Board
26th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

ATT: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli,

EB -2008 - 0225
ED - 2002 - 0498
2009 Cost of Service Rate Application
Centre Wellington Hydro Ltd.

In accordance with instructions released December 20, 2006 Centre Wellington Hydro Ltd. requests a final order for Electricity Distribution Rates commencing May 1, 2007.

This response to interrogatories contains the following parts:

- Manager's Summary,
- Responses to Interrogatories from the OEB Board Staff, VECC and SEC. No questions were received from AMPCO.

Two (2) hard copies of the interrogatories are enclosed, together with a CD containing a PDF searchable file. The interrogatories have also been filed via the OEB e-Filing Services.

The responses to the interrogatories are respectfully submitted for the Board's consideration.

Thank you,

Mr. Doug Sherwood
President/Secretary
Centre Wellington Hydro Ltd.

CC Michael Buonagura, VECC
CC John DeVellis, SEC

Centre Wellington Hydro Ltd.

2009 Cost of Service
Interrogatory Responses
December 15, 2008

Manager's Summary

Centre Wellington Hydro (CWH) respectfully submits responses to the Interrogatories from OEB Staff, the Vulnerable Energy Consumer Coalition, and School Energy Coalition.

Although CWH felt it more than met the minimum filing requirements for a forward test year rate application, responding to the interrogatories provided an opportunity for an additional review of the model and application. In addition to the updates recommended by the Board for Commodity and Retail Transmission Service Rate changes, CWH uncovered other changes that would make the application complete and would like the Board to consider approval of those changes when arriving at the Final Decision and Rate Order.

The Manager's Summary contains the following sections:

- Application Adjustments
- Summary Table of Proposed Changes
- Customer Bill Impacts
- Updated Tariff of Rates and Charges

The changes and their impact on the application, which are discussed below, are followed by a SUMMARY OF CHANGES shown in tabular format and updated Customer Bill Impacts.

The table attached to this Manager's Summary titled "Centre Wellington Hydro Summary of Proposed Changes" is provided to show the impact of each of the changes on the major components of the application.

APPLICATION ADJUSTMENTS:

PILs Correction

For the 2009 Test Year amounts for Donations ($10,000), Revenues from Non-Utility Operations ($251,000) and Expenses from Non-Utility Operations ($226,800) should be removed. These amounts, although used in the calculation of the payment of taxes should not be used in the calculation of the Service Revenue Requirement. The impact of this change:

- PILs +$6,826
- Service Revenue Requirement +$6,826
- Base Revenue Requirement +$6,826
- Revenue Deficiency +$6,826

Loss Factor Correction
A recalculation of the Total Loss Factor results in a reduction from the submitted value of 1.0681 to a lower TLF of 1.0449. CWH is fed from three meter points which are billed with differing Supply Facilities Loss Factors (SFLF). The components of the proposed Total Loss Factor are a SFLF of 1.0137 and a Distribution Loss Factor of 1.0308.

This revision has no affect on the utility revenue requirement, however, does result in a positive customer total bill impact.

DVAD Interest Correction
The submitted rate application incorrectly used the AFUDC interest rate of 5.43% for the calculation of interest on the Deferral Accounts. The interest rate should be calculated using a rate of 3.35%.

The impact of this change:

- PILs +$20,986
- Service Revenue Requirement +$20,986
- Base Revenue Requirement +$20,986
- Revenue Deficiency +$20.986

Smart Meter Funding Adder
As requested in the October 22, 2008 Board Guideline G-2008-0002 Smart Meter Funding and Cost Recovery document, CWH is requesting the standard $1.00 funding adder.

As requested in the above noted Guideline:

- CWH estimates 6,169 meters will be installed in the test year.

- These meters are estimated to have a capital cost of $1,327,861 or $215.25 per meter as well as 2009 OM&A costs of $145,189. These costs are based on the London Hydro Request for Proposal and internal estimates of installation, AMI, computer hardware and software requirements and costs and incremental OM&A expenses. CWH notes that it is in the early stages of contracting for services related to the installation and data management aspects of this project and has estimated accordingly.

- CWH does not intend to purchase smart meters that exceed the functionality adopted in O. Reg. 425/06. Certain features “embedded” in the standard meter configurations provided by CWH’s selected proponent arising from the London Hydro Request for Proposal for Advanced Metering Infrastructure (AMI) – Phase 1 Smart Meter Deployment dated August 14, 2007 provide features that exceed the specified minimum functionality. These are standard features of the meter and cannot be removed from the design without incurring additional costs. Therefore, CWH anticipates accepting the meters in their standard configuration only.

- CWH has not incurred nor does it anticipate incurring any costs associated with functions for which the SME has the exclusive authority to carry out pursuant to O. Reg. 383/07. CWH may incur costs associated with compliance to meet the requirements of the SME.

This update has no affect on the utility revenue requirement, however, does result in a customer bill impact.

Commodity and Retail Transmission Service Rates

Commodity
CWH was advised to update the price of the commodity to $6.03 per MWh and to reflect that change in the rate application.

Retail Transmission Service Rates
CWH has adopted the proposed change to the Network and Transmission rates used for billing their customers. The following table provides the calculation of the percentage change used to increase the rates.

OEB Report Dated October 22, 2008	RTSR Category	2008 Rate	2009 Rate	% Change
	Network	**$ 2.31**	**$ 2.57**	**11.30%**
	Connection – Line	$ 0.59	$ 0.70	18.60%
	Connection – Transformation	$ 1.61	$ 1.62	0.60%
	Connection – Total	**$ 2.20**	**$ 2.32**	**5.45%**

The above pass through rate changes have the following impact on the updated rate application:

- Regulated Return on Capital +$10,528
- Rate Base +$136,537
- Working Capital +$910,248
- Working Capital Allowance +$136,537
- PILs +$1,430
- Service Revenue Requirement +$11,598
- Base Revenue Requirement +$11,598
- Revenue Deficiency +$11,598

Cost of Service Application Cost
CWH has revised the cost of preparing the rate application and has spread this cost over four years. The revised estimate results from knowing more about the process now, than at the time when the cost of service application was submitted.

The effect of this update is as follows:

- Regulated Return on Capital +$79
- Rate Base +$1,012
- Working Capital +$6,750
- Working Capital Allowance +$1,013
- PILs +$11
- OM&A +$6,750
- Service Revenue Requirement +$6,839
- Base Revenue Requirement +$6,839
- Revenue Deficiency +$6,839

Contributed Capital Amortization

The amortization of contributed capital of $46,975 for both years 2008 and 2009 was excluded from the rate application in error. When this amount was included for each of those years, the rate application saw the following impact:

- Regulated Return on Capital +$5,433
- Rate Base +$70,464
- Amortization ($46,976)
- PILs ($12,512)
- Service Revenue Requirement ($54,054)
- Base Revenue Requirement ($54,054)
- Revenue Deficiency ($54,054)

Centre Wellington Hydro
Summary of Proposed Changes

	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PILs	OM&A	Service Revenue Requirement	Base Revenue Requirement	Gross Revenue Deficiency
Original Submission August 2008	**$679,945**	**7.71%**	**$8,818,124**	**$13,116,153**	**$1,967,423**	**$638,185**	**$10,466**	**$1,746,600**	**$3,075,196**	**$2,739,753**	**$216,645**
PILs Correction	**$679,945**	**7.71%**	**$8,818,124**	**$13,116,153**	**$1,967,423**	**$638,185**	**$17,292**	**$1,746,600**	**$3,082,022**	**$2,746,579**	**$223,471**
Change	$0	$0	$0	$0	$0	$0	$6,826	$0	$6,826	$6,826	$6,826
Loss Factor Correction (Bill Impact only)	**$679,945**	**7.71%**	**$8,818,124**	**$13,116,153**	**$1,967,423**	**$638,185**	**$17,292**	**$1,746,600**	**$3,082,022**	**$2,746,579**	**$223,471**
Change	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
DVAD Interest Correction	**$679,945**	**7.71%**	**$8,818,124**	**$13,116,153**	**$1,967,423**	**$638,185**	**$38,278**	**$1,746,600**	**$3,103,008**	**$2,767,565**	**$244,457**
Change	$0	$0	$0	$0	$0	$0	$20,986	$0	$20,986	$20,986	$20,986
Smart Meter Funding Adder (Bill Impact only)	**$679,945**	**7.71%**	**$8,818,124**	**$13,116,153**	**$1,967,423**	**$638,185**	**$38,278**	**$1,746,600**	**$3,103,008**	**$2,767,565**	**$244,457**
Change	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Commodity & RTSR update	**$690,473**	**7.71%**	**$8,954,661**	**$14,026,401**	**$2,103,960**	**$638,185**	**$39,708**	**$1,746,600**	**$3,114,966**	**$2,779,523**	**$256,415**
Change	$10,528	$0	$136,537	$910,248	$136,537	$0	$1,430	$0	$11,958	$11,958	$11,958
Rate application cost Increase over 4 years	**$690,552**	**7.71%**	**$8,955,673**	**$14,033,151**	**$2,104,973**	**$638,185**	**$39,719**	**$1,753,350**	**$3,121,805**	**$2,786,362**	**$263,254**
Change	$79	$0	$1,012	$6,750	$1,013	$0	$11	$6,750	$6,839	$6,839	$6,839
Contributed Capital 08 & 09 Amortization	**$695,985**	**7.71%**	**$9,026,137**	**$14,033,151**	**$2,104,973**	**$591,209**	**$27,207**	**$1,753,350**	**$3,067,751**	**$2,732,308**	**$209,200**
Change	$5,433	$0	$70,464	$0	$0	-$46,976	-$12,512	$0	-$54,054	-$54,054	-$54,054
Proposed at December 15, 2008	**$695,985**	**7.71%**	**$9,026,137**	**$14,033,151**	**$2,104,973**	**$591,209**	**$27,207**	**$1,753,350**	**$3,067,751**	**$2,732,308**	**$209,200**
2006 EDR	**$723,056**	**8.13%**	**$8,899,155**	**$12,052,184**	**$1,807,828**	**$510,349**	**$54,544**	**$1,508,695**	**$2,796,645**	**$2,520,990**	
Change - 2009 Proposed vs. 2006 EDR	**-4%**		**1%**	**16%**	**16%**	**16%**	**-50%**	**16%**	**10%**	**8%**	
	-$27,071		**$126,982**	**$1,980,967**	**$297,145**	**$80,860**	**-$27,337**	**$244,655**	**$271,106**	**$211,318**	
Change - Proposed vs. Original	**2%**		**2%**	**7%**	**7%**	**-7%**	**160%**	**0%**	**0%**	**0%**	**-3%**
	$16,040		**$208,013**	**$916,998**	**$137,550**	**-$46,976**	**$16,741**	**$6,750**	**-$7,445**	**-$7,445**	**-$7,445**

Summary of Customer Bill Impacts

The following customer bill impacts take all of the changes discussed above into consideration:

Residential

Volume		RPP	Distribution Charges		Total Bill	
kWh *	kW	Rate Class	$ change	% change	$ change	% change
500		Summer	$0.87	4.2%	($0.86)	(1.5%)
1,000		Summer	$0.02	0.1%	($3.46)	(3.2%)
1,500		Summer	($0.83)	(2.3%)	($6.06)	(3.8%)
500		Winter	$0.87	4.2%	($0.86)	(1.5%)
1,000		Winter	$0.02	0.1%	($3.46)	(3.3%)
1,500		Winter	($0.83)	(2.3%)	($6.06)	(3.9%)

1,000 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	Volume	Rate	Charge	Volume	Rate	Charge	$	%
Monthly Service Charge				$13.28			$15.00	$1.72	13.0%
Distribution	kWh	1,000	$0.0153	$15.30	1,000	$0.0136	$13.60	($1.70)	(11.1%)
Sub-Total (Distribution)				**$28.58**			**$28.60**	**$0.02**	**0.1%**
Deferral/Variance	kWh	1,000			1,000	($0.0032)	($3.20)	($3.20)	
Electricity (Commodity)	kWh	1,047	RPP-Summer	$56.38	1,045	RPP-Summer	$56.25	($0.13)	(0.2%)
Transmission - Network	kWh	1,047	$0.0039	$4.08	1,045	$0.0054	$5.64	$1.56	38.2%
Transmission - Connection	kWh	1,047	$0.0062	$6.49	1,045	$0.0046	$4.81	($1.68)	(25.9%)
Wholesale Market Service	kWh	1,047	$0.0052	$5.45	1,045	$0.0052	$5.43	($0.02)	(0.4%)
Rural Rate Protection	kWh	1,047	$0.0010	$1.05	1,045	$0.0010	$1.04	($0.01)	(1.0%)
Debt Retirement Charge	kWh	1,000	$0.0070	$7.00	1,000	$0.0070	$7.00		
TOTAL BILL				**$109.03**			**$105.57**	**($3.46)**	**(3.2%)**

General Service less than 50 kW

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
2,000		Non-res.	$0.48	1.0%	($4.05)	(1.9%)
3,000		Non-res.	($0.52)	(0.8%)	($7.34)	(2.3%)
5,000		Non-res.	($2.52)	(2.5%)	($13.88)	(2.7%)
10,000		Non-res.	($7.52)	(3.9%)	($30.23)	(2.9%)
17,500		Non-res.	($15.02)	(4.6%)	($54.75)	(3.0%)

3,000 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	Volume	Rate	Charge	Volume	Rate	Charge	$	%
Monthly Service Charge				$13.96			$16.44	$2.48	17.8%
Distribution	kWh	3,000	$0.0177	$53.10	3,000	$0.0167	$50.10	($3.00)	(5.6%)
Sub-Total (Distribution)				**$67.06**			**$66.54**	**($0.52)**	**(0.8%)**
Deferral/Variance	kWh	3,000			3,000	($0.0021)	($6.30)	($6.30)	
Electricity (Commodity)	kWh	3,142	RPP-Non-res.	$178.60	3,135	RPP-Non-res.	$178.20	($0.40)	(0.2%)
Transmission - Network	kWh	3,142	$0.0035	$11.00	3,135	$0.0049	$15.36	$4.36	39.6%
Transmission - Connection	kWh	3,142	$0.0055	$17.28	3,135	$0.0041	$12.85	($4.43)	(25.6%)
Wholesale Market Service	kWh	3,142	$0.0052	$16.34	3,135	$0.0052	$16.30	($0.04)	(0.2%)
Rural Rate Protection	kWh	3,142	$0.0010	$3.14	3,135	$0.0010	$3.13	($0.01)	(0.3%)
Debt Retirement Charge	kWh	3,000	$0.0070	$21.00	3,000	$0.0070	$21.00		
TOTAL BILL				**$314.42**			**$307.08**	**($7.34)**	**(2.3%)**

General Service 50 – 2,999 kW

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
20,164	74	n/a	$109.75	41.8%	$205.65	10.5%
46,278	91	n/a	$114.46	36.5%	$359.59	9.2%
179,400	396	n/a	$199.07	16.3%	$1,135.62	7.4%
294,372	901	n/a	$339.16	12.4%	$1,796.18	6.7%
1,182,146	2,241	n/a	$710.87	10.6%	$6,999.06	7.1%

179,400 kWh's
396 kW's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT $	CHANGE IMPACT %
Monthly Service Charge				$42.23			$131.45	$89.22	>100%
Distribution	kW	396	$2.9804	$1,180.24	396	$3.2578	$1,290.09	$109.85	9.3%
Sub-Total (Distribution)				**$1,222.47**			**$1,421.54**	**$199.07**	**16.3%**
Deferral/Variance	kW	396			396	($0.3044)	($120.54)	($120.54)	
Electricity (Commodity)	kWh	187,868	$0.0545	$10,238.79	187,455	$0.0603	$11,303.54	$1,064.75	10.4%
Transmission - Network	kW	396	$1.4327	$567.35	396	$1.9978	$791.13	$223.78	39.4%
Transmission - Connection	kW	396	$2.2069	$873.93	396	$1.6289	$645.04	($228.89)	(26.2%)
Wholesale Market Service	kWh	187,868	$0.0052	$976.91	187,455	$0.0052	$974.77	($2.14)	(0.2%)
Rural Rate Protection	kWh	187,868	$0.0010	$187.87	187,455	$0.0010	$187.46	($0.41)	(0.2%)
Debt Retirement Charge	kWh	179,400	$0.0070	$1,255.80	179,400	$0.0070	$1,255.80		
TOTAL BILL				**$15,323.12**			**$16,458.74**	**$1,135.62**	**7.4%**

General Service 3,000 – 4,999 kW

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
1,302,474	3,556	n/a	$3,727.69	57.3%	$10,528.00	9.3%
1,492,765	3,696	n/a	$3,874.41	57.4%	$11,765.52	9.2%
1,939,602	3,758	n/a	$3,939.38	57.5%	$14,460.21	9.1%

1,492,765 kWh's
3,696 kW's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT $	CHANGE IMPACT %
Monthly Service Charge				$558.28			$559.28	$1.00	0.2%
Distribution	kW	3,696	$1.6740	$6,187.10	3,696	$2.7220	$10,060.51	$3,873.41	62.6%
Sub-Total (Distribution)				**$6,745.38**			**$10,619.79**	**$3,874.41**	**57.4%**
Deferral/Variance	kW	3,696			3,696	($0.2067)	($763.96)	($763.96)	
Electricity (Commodity)	kWh	1,563,224	$0.0545	$85,195.68	1,559,790	$0.0603	$94,055.35	$8,859.67	10.4%
Transmission - Network	kW	3,696	$1.6024	$5,922.47	3,696	$2.2345	$8,258.71	$2,336.24	39.4%
Transmission - Connection	kW	3,696	$2.6029	$9,620.32	3,696	$1.9212	$7,100.76	($2,519.56)	(26.2%)
Wholesale Market Service	kWh	1,563,224	$0.0052	$8,128.76	1,559,790	$0.0052	$8,110.91	($17.85)	(0.2%)
Rural Rate Protection	kWh	1,563,224	$0.0010	$1,563.22	1,559,790	$0.0010	$1,559.79	($3.43)	(0.2%)
Debt Retirement Charge	kWh	1,492,765	$0.0070	$10,449.36	1,492,765	$0.0070	$10,449.36		
TOTAL BILL				**$127,625.19**			**$139,390.71**	**$11,765.52**	**9.2%**

Unmetered Scattered Load

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
32,000		Non-res.	$296.76	51.1%	$240.10	7.3%
34,000		Non-res.	$315.16	51.2%	$254.97	7.3%
36,000		Non-res.	$333.56	51.2%	$269.82	7.3%

36,000 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	Volume	Rate	Charge	Volume	Rate	Charge	$	%
Monthly Service Charge				$14.29			$16.65	$2.36	16.5%
Distribution	kWh	36,000	$0.0177	$637.20	36,000	$0.0269	$968.40	$331.20	52.0%
Sub-Total (Distribution)				**$651.49**			**$985.05**	**$333.56**	**51.2%**
Deferral/Variance	kWh	36,000			36,000	($0.0016)	($57.60)	($57.60)	
Electricity (Commodity)	kWh	37,699	RPP-Non-res.	$2,217.50	37,616	RPP-Non-res.	$2,212.62	($4.88)	(0.2%)
Transmission - Network	kWh	37,699	$0.0035	$131.95	37,616	$0.0049	$184.32	$52.37	39.7%
Transmission - Connection	kWh	37,699	$0.0055	$207.35	37,616	$0.0041	$154.23	($53.12)	(25.6%)
Wholesale Market Service	kWh	37,699	$0.0052	$196.04	37,616	$0.0052	$195.61	($0.43)	(0.2%)
Rural Rate Protection	kWh	37,699	$0.0010	$37.70	37,616	$0.0010	$37.62	($0.08)	(0.2%)
Debt Retirement Charge	kWh	36,000	$0.0070	$252.00	36,000	$0.0070	$252.00		
TOTAL BILL				**$3,694.03**			**$3,963.85**	**$269.82**	**7.3%**

Sentinel Lighting

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
82	0.23	Non-res.	$3.54	>100%	$3.44	49.7%
92	0.25	Non-res.	$3.69	>100%	$3.59	46.7%

92 kWh's
0.25 kW's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				$0.46			$2.72	$2.26	>100%
Distribution	kW	0.25	$1.7575	$0.45	0	$7.3832	$1.88	$1.43	>100%
Sub-Total (Distribution)				**$0.91**			**$4.60**	**$3.69**	**>100%**
Deferral/Variance	kW	0			0	($0.3027)	($0.08)	($0.08)	
Electricity (Commodity)	kWh	96	RPP-Non-res.	$4.82	96	RPP-Non-res.	$4.81	($0.01)	(0.2%)
Transmission - Network	kW	0	$1.0860	$0.28	0	$1.5144	$0.38	$0.10	35.7%
Transmission - Connection	kW	0	$1.7418	$0.44	0	$1.2856	$0.33	($0.11)	(25.0%)
Wholesale Market Service	kWh	96	$0.0052	$0.50	96	$0.0052	$0.50		
Rural Rate Protection	kWh	96	$0.0010	$0.10	96	$0.0010	$0.10		
Debt Retirement Charge	kWh	92	$0.0070	$0.64	92	$0.0070	$0.64		
TOTAL BILL				**$7.69**			**$11.28**	**$3.59**	**46.7%**

Street Lighting

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
44	0.16	Non-res.	$3.83	>100%	$3.80	>100%
64	0.16	Non-res.	$3.83	>100%	$3.79	76.2%

64 kWh's 0.16 kW's		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				$0.16			$2.36	$2.20	>100%
Distribution	kW	0	$1.0613	$0.16	0	$11.5909	$1.80	$1.63	>100%
Sub-Total (Distribution)				**$0.32**			**$4.16**	**$3.83**	**>100%**
Deferral/Variance	kW	0			0	($0.2031)	($0.03)	($0.03)	
Electricity (Commodity)	kWh	67	RPP-Non-res.	$3.35	67	RPP-Non-res.	$3.34	($0.01)	(0.3%)
Transmission - Network	kW	0	$1.0805	$0.17	0	$1.5067	$0.23	$0.06	35.3%
Transmission - Connection	kW	0	$1.7061	$0.26	0	$1.2593	$0.20	($0.06)	(23.1%)
Wholesale Market Service	kWh	67	$0.0052	$0.35	67	$0.0052	$0.35		
Rural Rate Protection	kWh	67	$0.0010	$0.07	67	$0.0010	$0.07		
Debt Retirement Charge	kWh	64	$0.0070	$0.45	64	$0.0070	$0.45		
TOTAL BILL				**$4.97**			**$8.77**	**$3.79**	**76.2%**

Centre Wellington Hydro Ltd.

PROPOSED TARIFF OF RATES AND CHARGES

Effective May 1, 2009 - RESVISED for December 15, 2008 - Rate Adjustments

MONTHLY RATES AND CHARGES

Residential

Service Charge	$	15.00
Distribution Volumetric Rate	$/kWh	0.0136
Regulatory Asset Recovery	$/kWh	(0.0032)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0054
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0046
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service Less Than 50 kW

Service Charge	$	16.44
Distribution Volumetric Rate	$/kWh	0.0167
Regulatory Asset Recovery	$/kWh	(0.0021)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0041
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service 50 to 2,999 kW

Service Charge	$	131.45
Distribution Volumetric Rate	$/kW	3.2578
Regulatory Asset Recovery	$/kW	(0.3044)
Retail Transmission Rate – Network Service Rate	$/kW	1.9978
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.6289
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service 3,000 to 4,999 kW

Service Charge	$	559.28
Distribution Volumetric Rate	$/kW	2.7220
Regulatory Asset Recovery	$/kW	(0.2067)
Retail Transmission Rate – Network Service Rate	$/kW	2.2345
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.9212
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Unmetered Scattered Load

Service Charge (per customer)	$	16.65
Distribution Volumetric Rate	$/kWh	0.0269
Regulatory Asset Recovery	$/kWh	(0.0016)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0041
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Sentinel Lighting

Service Charge (per connection)	$	2.72
Distribution Volumetric Rate	$/kW	7.3832
Regulatory Asset Recovery	$/kW	(0.3027)
Retail Transmission Rate – Network Service Rate	$/kW	1.5144
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2856
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Street Lighting

Service Charge (per connection)	$	2.36
Distribution Volumetric Rate	$/kW	11.5909
Regulatory Asset Recovery	$/kW	(0.2031)
Retail Transmission Rate – Network Service Rate	$/kW	1.5067
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2593
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Specific Service Charges

Customer Administration		
Arrears Certificate	$	15.00
Statement of Account	$	15.00
Pulling post-dated cheques	$	15.00
Duplicate invoices for previous billing	$	15.00
Request for other billing information	$	15.00
Easement Letter	$	15.00
Income tax letter	$	15.00
Notification Charge	$	15.00
Account history	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned Cheque charge (plus bank charges)	$	15.00
Charge to certify cheque	$	15.00
Legal letter charge	$	15.00
Account set up charge / change of occupancy charge	$	30.00
Special Meter reads	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	$	30.00
Collection of account charge – no disconnection – after regular hours	$	165.00
Disconnect/Reconnect at meter – during regular hours	$	65.00
Disconnect/Reconnect at meter – after regular hours	$	185.00
Disconnect/Reconnect at pole – during regular hours	$	185.00
Disconnect/Reconnect at pole – after regular hours	$	415.00
Install / remove load control device – during regular hours	$	65.00
Install / remove load control device – after regular hours	$	185.00
Service call – customer-owned equipment	$	30.00
Service call – after regular hours	$	165.00
Temporary service install and remove – overhead – no transformer	$	500.00
Temporary service install and remove – underground – no transformer	$	300.00
Temporary service install and remove – overhead – with transformer	$	1000.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.6000)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.0000)

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$	0.50
Distributor-consolidated billing charge, per customer, per retailer	$	0.30
Retailer-consolidted billing credit, per customer, per retailer	$	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

Total Loss Factor-Secondary Metered Customer<5,000 kW	1.0449
Total Loss Factor-Secondary Metered Customer>5,000 kW	N/A
Total Loss Factor-Primary Metered Customer<5,000 kW	1.0345
Total Loss Factor-Primary Metered Customer>5,000 kW	N/A

Centre Wellington Hydro Ltd.
("Wellington")
EB-2008-0225
ED-2002-0498
Board Staff Interrogatories

Board Staff Interrogatory No. 1

General – Economic Assumptions

Question:

a) Given the general economic situation in Ontario has Wellington assessed the situation and identified any specific issues that may have a material impact on its load and revenue forecasts and bad debt expense forecast?
b) If so, please indicate if Wellington will be updating its current application, in whole or in part, to address any material impacts. If yes, please provide an estimate of the timing of the update.

Response:

a. The Applicant has assessed the economic situation as it relates to the service area and has not been able to identify the impact it will have on loads and revenue forecasts or the bad debt expense forecast. However, one of our largest customers is directly associated with the automotive industry. Should current trends continue it is a very real possibility this customer could be forced to substantially modify their production schedule, thus dramatically reducing their load.

b. As the economic situation is an unknown factor, the Applicant will not be updating the current application for this situation at this time. If an issue arises and we have significant load reductions or greater bad debts the Applicant will reassess the situation.

Board Staff Interrogatory No. 2

Retail Transmission Service Rates (RTSR)

Question:

Reference: "Electricity Distribution Retail Transmission Service Rates", Guideline G-2008-0001, October 22, 2008

Under the OEB Guideline, Wellington is expected to file an update to its Cost of Service application with evidence to support a change in its RTSRs. The adjustment in RTSRs is intended to eliminate future growth in the Applicant's variance accounts that are related to the pass-through of transmission costs.

a. Please file a table showing 2 years of Wellington's wholesale Network and Connection costs, and its retail billings for Network and Connection service to its retail customers.

Response:

The below table shows two years of Centre Wellington Hydro wholesale Network and Connections costs, and the retail billings for network and connection service to our retail customers.

2007 Transmission Connection Cost and Revenue				
s	**Total Annual Transmission CN charges - 4716 Cost**	**2007 - kWh**	**2007 - kW**	**Actual $ Received CN - 4068 GL**
Residential		44,580,979		$ (303,477.60)
GS<50		21,598,022		$ (132,130.54)
GS>50		19,944,828	57,973.90	$ (130,677.86)
GS>50 Interval		15,500,690	39,909.40	$ (113,032.19)
GS>1000 Interval		27,828,895	67,016.30	$ (229,151.07)
Street Lights		1,121,886	3,091.20	$ (5,552.31)
Sentinel Lights		45,575	132.58	$ (232.21)
USL		432,046		$ (1,911.33)
Intermediate		20,647,454	43,180.80	$ (118,311.08)
TOTAL	**$ 670,990.56**	**151,700,375.00**	**211,304.18**	**(1,034,476.19)**

2006 Transmission Connection Cost and Revenue				
Class	**Total Annual Transmission CN charges - 4716 Cost**	**2006 - kWh**	**2006 - kW**	**Actual $ Received CN - 4068 GL**
Residential		44,416,471		$ (269,250.83)
GS<50		22,031,695		$ (123,721.11)
GS>50		21,697,190	62,255.50	$ (129,528.09)
GS>50 Interval		13,814,881	39,089.97	$ (92,663.86)
GS>1000 Interval		28,239,404	65,281.30	$ (154,394.41)
Street Lights		1,130,087	3,121.30	$ (5,168.65)
Sentinel Lights		46,923	136.75	$ (220.80)
Intermediate		19,018,663	41,567.59	$ (101,036.63)
TOTAL	**$ 679,156.22**	**150,395,314.00**	**211,452.41**	**(875,984.38)**

2007 - Network Transmission Cost and Revenues				
Class	**Total Annual Transmission NW - 4714 Cost**	**2007 - kWh**	**2007 - kW**	**Actual $ Received for NW - 4066 GL**
Residential		44,580,979		$ (219,426.12)
GS<50		21,598,022		$ (97,957.69)
GS>50		19,944,828	57,973.90	$ (98,282.60)
GS>50 Interval		15,500,690	39,909.40	$ (82,889.12)
GS>1000 Interval		27,828,895	67,016.30	$ (164,274.14)
Street Lights		1,121,886	3,091.20	$ (3,565.38)
Sentinel Lights		45,575	132.58	$ (167.64)
Unmetered Scattered Load		432,046		$ (1,416.98)
Intermediate		20,647,454	43,180.80	$ (84,116.96)
TOTAL	**$ 808,227.29**	**151,700,375**	**211,304.18**	**(752,096.63)**

2006 - Network Transmission Cost and Revenues				
Class	**Total Annual Transmission NW - 4714 Cost**	**2006 - kWh**	**2006 - kW**	**Actual $ Received for NW - 4066 GL**
Residential		44,416,471		$ (234,841.52)
GS<50		22,031,695		$ (106,300.65)
GS>50		21,697,190	62,255.50	$ (114,858.17)
GS>50 Interval		13,814,881	39,089.97	$ (75,847.40)
GS>1000 Interval		28,239,404	65,281.30	$ (126,635.91)
Street Lights		1,130,087	3,121.30	$ (3,843.48)
Sentinel Lights		46,923	136.75	$ (185.00)
Intermediate		19,018,663	41,567.59	$ (84,430.07)
TOTAL	**$ 814,627.48**	**150,395,314**	**211,452.41**	**(746,942.20)**

b. Please provide an analysis of the variances between costs and the corresponding revenues, and any trends in these amounts.

Response:

The analysis between costs and corresponding revenues as shown in Part (a) indicates that if the Transmission Connection and Network charges are not adjusted the Deferral Variance account balances will continue to grow. The application submitted on August 15, 2008 included an analysis of the proposed rates to take into consideration the trend.

The Manager's Summary included with these responses includes an update for the OEB October 22, 2008 rate adjustments.

c. Please file proposed RTSR rates for each customer class that are an adjustment to the currently approved RTSRs and would recover the wholesale cost of transmission service assuming that the Uniform Transmission Rates effective January 1, 2009 had been in effect during the 2-year period in part a). Please provide the calculations used to derive the proposed RTSR rates.

Response:

Centre Wellington Hydro has provided revised 2006 and 2007 transmission revenues by combining the current approved rate with the October 22, 2008 increase. The revised Revenues for each customer class are provided in the below tables.

2007 Transmission Connection Cost and Revenue

Class	Total Annual Transmission Connection charges - 4716 Cost	2007 Approved Rate	Oct 22, 2008 Increase of 5.5%	Adjusted Rates per OEB IR 2c	2007 - kWh	2007 - kW	2007 Actual CN - 4068 Revenue	Revenue at Existing Rate plus 5.5% increase
Residential		$ 0.0065	$ 0.0004	$ 0.0069	44,580,979		$ (303,477.60)	$ (305,714.06)
GS<50		$ 0.0058	$ 0.0003	$ 0.0061	21,598,022		$ (132,130.54)	$ (132,158.30)
GS>50		$ 2.3231	$ 0.1278	$ 2.4509	19,944,828	57,973.90	$ (130,677.86)	$ (142,086.52)
GS>50 Interval		$ 2.5484	$ 0.1402	$ 2.6886	15,500,690	39,909.40	$ (113,032.19)	$ (107,298.90)
GS>1000 Interval		$ 2.5692	$ 0.1413	$ 2.7105	27,828,895	67,016.30	$ (229,151.07)	$ (181,648.08)
Street Lights		$ 1.7959	$ 0.0988	$ 1.8947	1,121,886	3,091.20	$ (5,552.31)	$ (5,856.82)
Sentinel Lights		$ 1.8335	$ 0.1008	$ 1.9343	45,575	132.58	$ (232.21)	$ (88,157.66)
USL		$ 0.0058	$ 0.0003	$ 0.0061	432,046		$ (1,911.33)	$ (2,643.69)
Intermediate		$ 2.7399	$ 0.1507	$ 2.8906	20,647,454	43,180.80	$ (118,311.08)	$ (124,818.18)
TOTAL	**$ 670,990.56**				**151,700,375.00**	**211,304.18**	**(1,034,476.19)**	**$(1,090,382.21)**

2006 Transmission Connection Cost and Revenue

Class	Total Annual Transmission Connection charges - 4716 Cost	2006 Approved Rate	Oct 22, 2008 Increase of 5.5%	Adjusted Rates per OEB IR 2c	2006 - kWh	2006 - kW	2006 Actual CN - 4068 Revenue	Revenue at Existing Rate plus 5.5% increase
Residential		$ 0.0065	$ 0.0004	$ 0.0069	44,416,471		$ (269,250.83)	$ (304,585.95)
GS<50		$ 0.0058	$ 0.0003	$ 0.0061	22,031,695		$ (123,721.11)	$ (134,811.94)
GS>50		$ 2.3231	$ 0.1278	$ 2.4509	21,697,190	62,255.50	$ (129,528.09)	$ (152,580.17)
GS>50 Interval		$ 2.5484	$ 0.1402	$ 2.6886	13,814,881	39,089.97	$ (92,663.86)	$ (105,095.81)
GS>1000 Interval		$ 2.5692	$ 0.1413	$ 2.7105	28,239,404	65,281.30	$ (206,511.55)	$ (176,945.36)
Street Lights		$ 1.7959	$ 0.0988	$ 1.8947	1,130,087	3,121.30	$ (5,168.65)	$ (5,913.85)
Sentinel Lights		$ 1.8335	$ 0.1008	$ 1.9343	46,923	136.75	$ (220.80)	$ (264.52)
Intermediate		$ 2.7399	$ 0.1507	$ 2.8906	19,018,663	41,567.59	$ (101,036.63)	$ (120,155.05)
TOTAL	**$ 679,156.22**				**150,395,314.00**	**211,452.41**	**(928,101.52)**	**$(1,000,352.64)**

2007 - Network Transmission Cost and Revenues

Class	Total Annual Transmission NW charges - 4714	2007 Approved Rate	Oct 22, 2008 Increase of 11.3%	Adjusted Rates per OEB IR 2c	2007 - kWh	2007 - kW	2007 Actual NW 4066 Revenue	Revenue at Existing Rate plus 11.3% increase
Residential		$ 0.0047	$ 0.0005	$ 0.0052	44,580,979		$ (219,426.12)	$ (233,207.56)
GS<50		$ 0.0043	$ 0.0005	$ 0.0048	21,598,022		$ (97,957.69)	$ (103,365.97)
GS>50		$ 1.7472	$ 0.1974	$ 1.9446	19,944,828	57,973.90	$ (98,282.60)	$ (112,737.99)
GS>50 Interval		$ 1.8479	$ 0.2088	$ 2.0567	15,500,690	39,909.40	$ (82,889.12)	$ (82,082.17)
GS>1000 Interval		$ 1.8457	$ 0.2086	$ 2.0543	27,828,895	67,016.30	$ (164,274.14)	$ (137,669.18)
Street Lights		$ 1.3177	$ 0.1489	$ 1.4666	1,121,886	3,091.20	$ (3,565.38)	$ (4,533.55)
Sentinel Lights		$ 1.3244	$ 0.1497	$ 1.4741	45,575	132.58	$ (167.64)	$ (195.43)
Unmetered Scattered Load		$ 0.0043	$ 0.0005	$ 0.0048	432,046		$ (1,416.98)	$ (2,067.73)
Intermediate		$ 1.9541	$ 0.2208	$ 2.1749	20,647,454	43,180.80	$ (84,116.96)	$ (93,914.50)
TOTAL	**$ 808,227.29**				**151,700,375**	**211,304.18**	**(752,096.63)**	**(769,774.09)**

2006 - Network Transmission Cost and Revenues

Class	Total Annual Transmission NW charges - 4714	2006 Approved Rate	Oct 22, 2008 Increase of 11.3%	Adjusted Rates per OEB IR 2c	2006 - kWh	2006 - kW	2006 Actual NW 4066 Revenue	Revenue at Existing Rate plus 11.3% increase
Residential		$ 0.0047	$ 0.0005	$ 0.0052	44,416,471		$ (234,841.52)	$ (232,347.00)
GS<50		$ 0.0043	$ 0.0005	$ 0.0048	22,031,695		$ (106,300.65)	$ (105,441.49)
GS>50		$ 1.7472	$ 0.1974	$ 1.9446	21,697,190	62,255.50	$ (114,858.17)	$ (121,064.14)
GS>50 Interval		$ 1.8479	$ 0.2088	$ 2.0567	13,814,881	39,089.97	$ (75,847.40)	$ (80,396.84)
GS>1000 Interval		$ 1.8457	$ 0.2086	$ 2.0543	28,239,404	84,302.85	$ (163,805.92)	$ (173,180.32)
Street Lights		$ 1.3177	$ 0.1489	$ 1.4666	1,130,087	3,121.30	$ (3,843.48)	$ (4,577.70)
Sentinel Lights		$ 1.3244	$ 0.1497	$ 1.4741	46,923	136.75	$ (185.00)	$ (201.58)
Intermediate		$ 1.9541	$ 0.2208	$ 2.1749	19,018,663	41,567.59	$ (84,430.07)	$ (90,405.90)
TOTAL kWh's	**$ 814,627.48**				**150,395,314**	**230,473.96**	**(784,112.21)**	$ (807,614.96)

Board Staff Interrogatory No. 3

Cost Allocation and Rate Design

Question:

[Ref: EB-2006-0247; Ex8/T1/S2/Pg3]

Please file Sheets O1 and O2 from the Cost Allocation Informational Filing EB-2006-0247 as an official part of the record of this Application. Please file Run 1 or 2, whichever one is more closely representative of Wellington's situation. Alternatively, file a modified run that is more closely representative than either of the runs in the Informational Filing.

Response:

Sheets O1 and O2 of the Cost Allocation Information filing is provided below.

Centre Wellington did not file an optional Run 3 for the Cost Allocation Informational filing.

2006 COST ALLOCATION INFORMATION FILING

Centre Wellington Hydro Ltd.

EB-2005-0348 EB-2007-0003

Friday, March 30, 2007

Sheet O1 Revenue to Cost Summary Worksheet - Second Run

Rate Base Assets		Total	1 Residential	2 GS <50	3 GS>50-Regular	4 GS> 50-TOU	5 GS >50-Intermediate	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
crev	Distribution Revenue (sale)	$2,458,926	$1,445,346	$447,337	$490,325	$0	$57,423	$0	$5,362	$415	$12,718
mi	Miscellaneous Revenue (mi)	$275,655	$179,342	$45,371	$31,479	$0	$6,119	$0	$11,544	$273	$1,527
	Total Revenue	$2,734,581	$1,624,688	$492,708	$521,804	$0	$63,542	$0	$16,906	$688	$14,244
	Expenses										
di	Distribution Costs (di)	$469,536	$236,194	$78,317	$91,991	$0	$19,711	$0	$40,856	$907	$1,558
cu	Customer Related Costs (cu)	$367,152	$268,737	$63,177	$30,066	$0	$1,923	$0	$994	$43	$2,213
ad	General and Administration (ad)	$609,944	$364,109	$102,739	$90,806	$0	$16,654	$0	$32,223	$728	$2,685
dep	Depreciation and Amortization (dep)	$510,349	$262,280	$80,944	$93,022	$0	$22,550	$0	$48,946	$1,068	$1,538
INPUT	PILs (INPUT)	$54,544	$27,637	$8,692	$10,396	$0	$2,583	$0	$4,965	$109	$162
INT	Interest	$322,594	$163,456	$51,411	$61,487	$0	$15,275	$0	$29,366	$643	$958
	Total Expenses	$2,334,119	$1,322,412	$385,280	$377,769	$0	$78,696	$0	$157,349	$3,498	$9,114
	Direct Allocation	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
NI	Allocated Net Income (NI)	$400,462	$202,910	$63,820	$76,329	$0	$18,962	$0	$36,454	$798	$1,189
	Revenue Requirement (includes NI)	$2,734,581	$1,525,323	$449,100	$454,098	$0	$97,658	$0	$193,803	$4,296	$10,303
		Revenue Requirement Input equals Output									
	Rate Base Calculation										
	Net Assets										
dp	Distribution Plant - Gross	$11,336,812	$5,775,075	$1,812,955	$2,132,032	$0	$518,869	$0	$1,041,356	$22,782	$33,743
gp	General Plant - Gross	$2,367,816	$1,204,154	$375,821	$445,923	$0	$110,664	$0	$219,380	$4,798	$7,077
accum dep	Accumulated Depreciation	($5,885,084)	($3,002,597)	($947,654)	($1,105,326)	$0	($264,074)	$0	($536,248)	($11,736)	($17,448)
co	Capital Contribution	($728,217)	($381,097)	($111,848)	($123,972)	$0	($30,483)	$0	($76,853)	($1,670)	($2,294)
	Total Net Plant	$7,091,327	$3,595,535	$1,129,275	$1,348,656	$0	$334,976	$0	$647,634	$14,174	$21,078
	Directly Allocated Net Fixed Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
COP	Cost of Power (COP)	$10,543,489	$3,173,509	$1,504,722	$4,269,957	$0	$1,471,824	$0	$77,845	$4,033	$41,598
	OM&A Expenses	$1,446,632	$869,040	$244,233	$212,863	$0	$38,288	$0	$74,073	$1,679	$6,456
	Directly Allocated Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Subtotal	*$11,990,120*	*$4,042,550*	*$1,748,955*	*$4,482,820*	*$0*	*$1,510,112*	*$0*	*$151,918*	*$5,712*	*$48,054*
	Working Capital	$1,798,518	$606,382	$262,343	$672,423	$0	$226,517	$0	$22,788	$857	$7,208
	Total Rate Base	$8,889,845	$4,201,917	$1,391,618	$2,021,079	$0	$561,492	$0	$670,422	$15,030	$28,286
		Rate Base Input equals Output									
	Equity Component of Rate Base	$4,444,923	$2,100,959	$695,809	$1,010,540	$0	$280,746	$0	$335,211	$7,515	$14,143
	Net Income on Allocated Assets	$400,462	$302,275	$107,428	$144,035	$0	($15,154)	$0	($140,443)	($2,810)	$5,130
	Net Income on Direct Allocation Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Net Income	$400,462	$302,275	$107,428	$144,035	$0	($15,154)	$0	($140,443)	($2,810)	$5,130
	RATIOS ANALYSIS										
	REVENUE TO EXPENSES %	100.00%	106.51%	109.71%	114.91%	0.00%	65.07%	0.00%	8.72%	16.01%	138.26%
	EXISTING REVENUE MINUS ALLOCATED COSTS	($0)	$99,365	$43,608	$67,706	$0	($34,116)	$0	($176,897)	($3,608)	$3,941
	RETURN ON EQUITY COMPONENT OF RATE BASE	9.01%	14.39%	15.44%	14.25%	0.00%	-5.40%	0.00%	-41.90%	-37.39%	36.27%

2006 COST ALLOCATION INFORMATION FILING

Centre Wellington Hydro Ltd.

EB-2005-0348 EB-2007-0003

Friday, March 30, 2007

Sheet O2 Monthly Fixed Charge Min. & Max. Worksheet - Second Run

Output sheet showing minimum and maximum level for Monthly Fixed Charge

Summary

	1 Residential	2 GS <50	3 GS>50-Regular	4 GS> 50-TOU	5 GS >50-Intermediate	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
Customer Unit Cost per month - Avoided Cost	$5.92	$11.14	$72.36	$0.00	$261.58	$0.00	$0.05	$0.10	$5.85
Customer Unit Cost per month - Directly Related	$8.09	$16.28	$102.90	$0.00	$367.90	$0.00	$0.09	$0.19	$10.54
Customer Unit Cost per month - Minimum System with PLCC Adjustment	$15.60	$27.34	$130.45	$0.00	$361.36	$0.00	$10.28	$8.85	$16.65
Fixed Charge per approved 2006 EDR	$13.39	$14.06	$41.89	$0.00	$549.78	$0.00	$0.16	$0.46	$14.06

Information to be Used to Allocate PILs, ROD, ROE and A&G

	Total	1 Residential	2 GS <50	3 GS>50-Regular	4 GS> 50-TOU	5 GS >50-Intermediate	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
General Plant - Gross Assets	$2,367,816	$1,204,154	$375,821	$445,923	$0	$110,664	$0	$219,380	$4,798	$7,077
General Plant - Accumulated Depreciation	($1,063,808)	($541,000)	($168,848)	($200,343)	$0	($49,719)	$0	($98,563)	($2,155)	($3,180)
General Plant - Net Fixed Assets	$1,304,008	$663,154	$206,973	$245,579	$0	$60,945	$0	$120,817	$2,642	$3,898
General Plant - Depreciation	$90,302	$45,923	$14,333	$17,006	$0	$4,220	$0	$8,367	$183	$270
Total Net Fixed Assets Excluding General Plant	$5,787,319	$2,932,381	$922,302	$1,103,077	$0	$274,031	$0	$526,817	$11,531	$17,181
Total Administration and General Expense	$609,944	$364,109	$102,739	$90,806	$0	$16,654	$0	$32,223	$728	$2,685
Total O&M	$836,687	$504,932	$141,494	$122,057	$0	$21,634	$0	$41,850	$950	$3,771

Scenario 1

Accounts included in Avoided Costs Plus General Administration Allocation

USoA Account #	Accounts	Total	1 Residential	2 GS <50	3 GS>50-Regular	4 GS> 50-TOU	5 GS >50-Intermediate	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
	Distribution Plant										
1860	Meters	$775,202	$456,268	$146,950	$162,320	$0	$9,664	$0	$0	$0	$0

	Accumulated Amortization										
	Accum. Amortization of Electric Utility Plant - Meters only	($386,568)	($227,526)	($73,279)	($80,944)	$0	($4,819)	$0	$0	$0	$0
	Meter Net Fixed Assets	**$388,634**	**$228,742**	**$73,671**	**$81,376**	**$0**	**$4,845**	**$0**	**$0**	**$0**	**$0**
	Misc Revenue										
4082	Retail Services Revenues	$10,978	$10,277	$672	$114	$0	$11	$0	($3)	($2)	($91)
4084	Service Transaction Requests (STR) Revenues	$11	$10	$1	$0	$0	$0	$0	($0)	($0)	($0)
4090	Electric Services Incidental to Energy Sales	$18,806	$17,606	$1,150	$195	$0	$20	$0	($5)	($3)	($157)
4220	Other Electric Revenues	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4225	Late Payment Charges	$9,757	$4,730	$1,429	$3,262	$0	$338	$0	($2)	$0	$0
	Sub-total	*$39,552*	*$32,624*	*$3,251*	*$3,571*	*$0*	*$368*	*$0*	*($11)*	*($4)*	*($248)*
	Operation										
5065	Meter Expense	$49,992	$29,424	$9,477	$10,468	$0	$623	$0	$0	$0	$0
5070	Customer Premises - Operation Labour	$868	$606	$70	$6	$0	$0	$0	$179	$4	$3
5075	Customer Premises - Materials and Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Sub-total	*$50,861*	*$30,031*	*$9,547*	*$10,474*	*$0*	*$623*	*$0*	*$179*	*$4*	*$3*
	Maintenance										
5175	Maintenance of Meters	$4,280	$2,519	$811	$896	$0	$53	$0	$0	$0	$0
	Billing and Collection										
5310	Meter Reading Expense	$41,903	$29,848	$6,202	$4,124	$0	$988	$0	$741	$0	$0
5315	Customer Billing	$192,143	$147,607	$32,508	$10,175	$0	$185	$0	$53	$29	$1,586
5320	Collecting	$75,489	$57,992	$12,772	$3,998	$0	$73	$0	$21	$11	$623
5325	Collecting- Cash Over and Short	$93	$71	$16	$5	$0	$0	$0	$0	$0	$1
5330	Collection Charges	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Sub-total	$309,628	$235,518	$51,497	$18,302	$0	$1,246	$0	$815	$41	$2,210
	Total Operation, Maintenance and Billing	$364,769	$268,068	$61,855	$29,673	$0	$1,923	$0	$994	$44	$2,213
	Amortization Expense - Meters	$24,729	$14,555	$4,688	$5,178	$0	$308	$0	$0	$0	$0
	Allocated PILs	$2,990	$1,758	$567	$627	$0	$37	$0	$0	$0	$0
	Allocated Debt Return	$17,684	$10,399	$3,354	$3,710	$0	$221	$0	$0	$0	$0
	Allocated Equity Return	$21,952	$12,909	$4,163	$4,606	$0	$274	$0	$0	$0	$0
	Total	**$471,676**	**$340,312**	**$77,879**	**$47,365**	**$0**	**$3,132**	**$0**	**$983**	**$40**	**$1,965**

Scenario 2

Accounts included in Directly Related Customer Costs Plus General Administration Allocation

			1	2	3	4	5	6	7	8	9
USoA Account #	**Accounts**	**Total**	**Residential**	**GS <50**	**GS>50-Regular**	**GS> 50-TOU**	**GS >50-Intermediate**	**Large Use >5MW**	**Street Light**	**Sentinel**	**Unmetered Scattered Load**
	Distribution Plant										
1860	Meters	$775,202	$456,268	$146,950	$162,320	$0	$9,664	$0	$0	$0	$0
	Accumulated Amortization										
	Accum. Amortization of Electric Utility Plant - Meters only	($386,568)	($227,526)	($73,279)	($80,944)	$0	($4,819)	$0	$0	$0	$0

	Meter Net Fixed Assets	$388,634	$228,742	$73,671	$81,376	$0	$4,845	$0	$0	$0	$0
	Allocated General Plant Net Fixed Assets	$87,456	$51,730	$16,532	$18,117	$0	$1,077	$0	$0	$0	$0
	Meter Net Fixed Assets Including General Plant	$476,090	$280,472	$90,203	$99,493	$0	$5,922	$0	$0	$0	$0
	Misc Revenue										
4082	Retail Services Revenues	($11,074)	($8,507)	($1,874)	($586)	$0	($11)	$0	($3)	($2)	($91)
4084	Service Transaction Requests (STR) Revenues	($11)	($8)	($2)	($1)	$0	($0)	$0	($0)	($0)	($0)
4090	Electric Services Incidental to Energy Sales	($18,971)	($14,574)	($3,210)	($1,005)	$0	($18)	$0	($5)	($3)	($157)
4220	Other Electric Revenues	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4225	Late Payment Charges	($9,757)	($8,131)	($1,626)	$0	$0	$0	$0	$0	$0	$0
	Sub-total	*($39,813)*	*($31,220)*	*($6,711)*	*($1,592)*	*$0*	*($29)*	*$0*	*($8)*	*($5)*	*($248)*
	Operation										
5065	Meter Expense	$49,992	$29,424	$9,477	$10,468	$0	$623	$0	$0	$0	$0
5070	Customer Premises - Operation Labour	$868	$606	$70	$6	$0	$0	$0	$179	$4	$3
5075	Customer Premises - Materials and Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Sub-total	*$50,861*	*$30,031*	*$9,547*	*$10,474*	*$0*	*$623*	*$0*	*$179*	*$4*	*$3*
	Maintenance										
5175	Maintenance of Meters	$4,280	$2,519	$811	$896	$0	$53	$0	$0	$0	$0
	Billing and Collection										
5310	Meter Reading Expense	$41,903	$29,848	$6,202	$4,124	$0	$988	$0	$741	$0	$0
5315	Customer Billing	$192,143	$147,607	$32,508	$10,175	$0	$185	$0	$53	$29	$1,586
5320	Collecting	$75,489	$57,992	$12,772	$3,998	$0	$73	$0	$21	$11	$623
5325	Collecting- Cash Over and Short	$93	$71	$16	$5	$0	$0	$0	$0	$0	$1
5330	Collection Charges	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Sub-total	*$309,628*	*$235,518*	*$51,497*	*$18,302*	*$0*	*$1,246*	*$0*	*$815*	*$41*	*$2,210*
	Total Operation, Maintenance and Billing	$364,769	$268,068	$61,855	$29,673	$0	$1,923	$0	$994	$44	$2,213
	Amortization Expense - Meters	$24,729	$14,555	$4,688	$5,178	$0	$308	$0	$0	$0	$0
	Amortization Expense - General Plant assigned to Meters	*$6,056*	*$3,582*	*$1,145*	*$1,255*	*$0*	*$75*	*$0*	*$0*	*$0*	*$0*
	Admin and General	$264,148	$193,305	$44,913	$22,075	$0	$1,480	$0	$765	$34	$1,576
	Allocated PILs	$3,663	$2,156	$694	$767	$0	$46	$0	$0	$0	$0
	Allocated Debt Return	$21,663	$12,750	$4,107	$4,536	$0	$270	$0	$0	$0	$0
	Allocated Equity Return	$26,892	$15,828	$5,098	$5,631	$0	$335	$0	$0	$0	$0
	Total	**$672,108**	**$479,024**	**$115,789**	**$67,523**	**$0**	**$4,408**	**$0**	**$1,750**	**$74**	**$3,541**

Scenario 3

Minimum System Customer Costs Adjusted for PLCC - High Limit Fixed Customer Charge

			1	2	3	4	5	6	7	8	9
USoA Account #	**Accounts**	**Total**	**Residential**	**GS <50**	**GS>50-Regular**	**GS> 50-TOU**	**GS >50-Intermediate**	**Large Use >5MW**	**Street Light**	**Sentinel**	**Unmetered Scattered Load**
	Distribution Plant										
1565	Conservation and Demand Management Expenditures and Recoveries	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1830	Poles, Towers and Fixtures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1830-4	Poles, Towers and Fixtures - Primary	$263,312	$183,825	$21,254	$1,901	$0	$35	$0	$54,190	$1,140	$968
1830-5	Poles, Towers and Fixtures - Secondary	$190,675	$133,412	$15,426	$978	$0	$0	$0	$39,329	$828	$702
1835	Overhead Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1835-4	Overhead Conductors and Devices - Primary	$201,166	$140,439	$16,238	$1,452	$0	$26	$0	$41,400	$871	$739
1835-5	Overhead Conductors and Devices - Secondary	$128,615	$89,990	$10,405	$660	$0	$0	$0	$26,528	$558	$474
1840	Underground Conduit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1840-3	Underground Conduit - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1840-4	Underground Conduit - Primary	$377,481	$263,528	$30,470	$2,725	$0	$50	$0	$77,686	$1,635	$1,387
1840-5	Underground Conduit - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1845	Underground Conductors and Devices	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1845-3	Underground Conductors and Devices - Bulk Delivery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1845-4	Underground Conductors and Devices - Primary	$545,081	$380,534	$43,999	$3,935	$0	$72	$0	$112,178	$2,361	$2,003
1845-5	Underground Conductors and Devices - Secondary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1850	Line Transformers	$900,465	$630,042	$72,847	$4,620	$0	$0	$0	$185,731	$3,909	$3,317
1855	Services	$2,753,397	$1,709,304	$395,271	$125,330	$0	$0	$0	$503,890	$10,605	$8,998
1860	Meters	$775,202	$456,268	$146,950	$162,320	$0	$9,664	$0	$0	$0	$0
	Sub-total	*$6,135,395*	*$3,987,341*	*$752,859*	*$303,920*	*$0*	*$9,846*	*$0*	*$1,040,933*	*$21,907*	*$18,588*
	Accumulated Amortization										
	Accum. Amortization of Electric Utility Plant -Line Transformers, Services and Meters	($3,036,095)	($1,972,884)	($372,834)	($150,936)	$0	($4,907)	$0	($514,518)	($10,829)	($9,188)
	Customer Related Net Fixed Assets	$3,099,299	$2,014,458	$380,025	$152,984	$0	$4,939	$0	$526,415	$11,079	$9,400
	Allocated General Plant Net Fixed Assets	$701,401	$455,567	$85,281	$34,059	$0	$1,098	$0	$120,725	$2,538	$2,133
	Customer Related NFA Including General Plant	$3,800,701	$2,470,024	$465,306	$187,043	$0	$6,037	$0	$647,140	$13,617	$11,533
	Misc Revenue										
4082	Retail Services Revenues	($11,074)	($8,507)	($1,874)	($586)	$0	($11)	$0	($3)	($2)	($91)
4084	Service Transaction Requests (STR) Revenues	($11)	($8)	($2)	($1)	$0	($0)	$0	($0)	($0)	($0)
4090	Electric Services Incidental to Energy Sales	($18,971)	($14,574)	($3,210)	($1,005)	$0	($18)	$0	($5)	($3)	($157)
4220	Other Electric Revenues	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4225	Late Payment Charges	($9,757)	($8,131)	($1,626)	$0	$0	$0	$0	$0	$0	$0
4235	Miscellaneous Service Revenues	($109,447)	($84,078)	($18,517)	($5,796)	$0	($105)	$0	($30)	($17)	($903)
	Sub-total	*($149,259)*	*($115,298)*	*($25,228)*	*($7,388)*	*$0*	*($134)*	*$0*	*($38)*	*($21)*	*($1,151)*
	Operating and Maintenance										
5005	Operation Supervision and Engineering	$17,761	$11,700	$2,008	$469	$0	$1	$0	$3,449	$73	$62
5010	Load Dispatching	$3,303	$2,176	$373	$87	$0	$0	$0	$641	$14	$11
5020	Overhead Distribution Lines and Feeders - Operation Labour	$495	$346	$40	$3	$0	$0	$0	$102	$2	$2
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5035	Overhead Distribution Transformers- Operation	$1,102	$771	$89	$6	$0	$0	$0	$227	$5	$4
5040	Underground Distribution Lines and Feeders - Operation Labour	$1,777	$1,241	$143	$13	$0	$0	$0	$366	$8	$7
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	$756	$528	$61	$5	$0	$0	$0	$156	$3	$3
5055	Underground Distribution Transformers - Operation	$622	$435	$50	$3	$0	$0	$0	$128	$3	$2
5065	Meter Expense	$49,992	$29,424	$9,477	$10,468	$0	$623	$0	$0	$0	$0
5070	Customer Premises - Operation Labour	$868	$606	$70	$6	$0	$0	$0	$179	$4	$3

5075	Customer Premises - Materials and Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5085	Miscellaneous Distribution Expense	$12,473	$8,217	$1,410	$330	$0	$0	$0	$2,422	$51	$43
5090	Underground Distribution Lines and Feeders - Rental Paid	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5095	Overhead Distribution Lines and Feeders - Rental Paid	$1,663	$1,162	$134	$11	$0	$0	$0	$343	$7	$6
5096	Other Rent	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5105	Maintenance Supervision and Engineering	$22,252	$14,659	$2,515	$588	$0	$1	$0	$4,321	$91	$77
5120	Maintenance of Poles, Towers and Fixtures	$13,032	$9,106	$1,053	$83	$0	$1	$0	$2,684	$56	$48
5125	Maintenance of Overhead Conductors and Devices	$18,062	$12,621	$1,459	$116	$0	$1	$0	$3,720	$78	$66
5130	Maintenance of Overhead Services	$30,705	$19,062	$4,408	$1,398	$0	$0	$0	$5,619	$118	$100
5135	Overhead Distribution Lines and Feeders - Right of Way	$16,359	$11,431	$1,322	$104	$0	$1	$0	$3,370	$71	$60
5145	Maintenance of Underground Conduit	$582	$407	$47	$4	$0	$0	$0	$120	$3	$2
5150	Maintenance of Underground Conductors and Devices	$48	$33	$4	$0	$0	$0	$0	$10	$0	$0
5155	Maintenance of Underground Services	$20,880	$12,962	$2,998	$950	$0	$0	$0	$3,821	$80	$68
5160	Maintenance of Line Transformers	$44,536	$31,161	$3,603	$228	$0	$0	$0	$9,186	$193	$164
5175	Maintenance of Meters	$4,280	$2,519	$811	$896	$0	$53	$0	$0	$0	$0
	Sub-total	*$261,551*	*$170,568*	*$32,076*	*$15,769*	*$0*	*$683*	*$0*	*$40,865*	*$860*	*$730*
	Billing and Collection										
5305	Supervision	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5310	Meter Reading Expense	$41,903	$29,848	$6,202	$4,124	$0	$988	$0	$741	$0	$0
5315	Customer Billing	$192,143	$147,607	$32,508	$10,175	$0	$185	$0	$53	$29	$1,586
5320	Collecting	$75,489	$57,992	$12,772	$3,998	$0	$73	$0	$21	$11	$623
5325	Collecting- Cash Over and Short	$93	$71	$16	$5	$0	$0	$0	$0	$0	$1
5330	Collection Charges	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5335	Bad Debt Expense	$2,365	$656	$1,318	$392	$0	$0	$0	$0	($1)	$0
5340	Miscellaneous Customer Accounts Expenses	$18	$14	$3	$1	$0	$0	$0	$0	$0	$0
	Sub-total	*$312,011*	*$236,187*	*$52,818*	*$18,695*	*$0*	*$1,246*	*$0*	*$815*	*$39*	*$2,210*
	Sub Total Operating, Maintenance and Biling	*$573,562*	*$406,755*	*$84,894*	*$34,464*	*$0*	*$1,929*	*$0*	*$41,680*	*$899*	*$2,939*
	Amortization Expense - Customer Related	$233,876	$152,198	$28,434	$10,773	$0	$316	$0	$40,576	$854	$725
	Amortization Expense - General Plant assigned to Meters	$48,572	$31,548	$5,906	$2,359	$0	$76	$0	$8,360	$176	$148
	Admin and General	$416,955	$293,313	$61,642	$25,640	$0	$1,485	$0	$32,092	$690	$2,093
	Allocated PILs	$29,210	$18,986	$3,582	$1,442	$0	$47	$0	$4,961	$104	$89
	Allocated Debt Return	$172,760	$112,289	$21,183	$8,528	$0	$275	$0	$29,343	$618	$524
	Allocated Equity Return	$214,461	$139,393	$26,296	$10,586	$0	$342	$0	$36,426	$767	$650
	PLCC Adjustment for Line Transformer	$41,179	$36,293	$4,200	$267	$0	$0	$0	$0	$228	$191
	PLCC Adjustment for Primary Costs	$35,921	$31,586	$3,654	$312	$0	$5	$0	$0	$198	$166
	PLCC Adjustment for Secondary Costs	$14,861	$13,098	$1,421	$120	$0	$0	$0	$0	$156	$67
	Total	$1,448,174	**$958,207**	**$197,434**	**$85,705**	**$0**	**$4,329**	**$0**	**$193,401**	**$3,505**	**$5,593**

Below: Grouping to avoid disclosure

Scenario 1

Accounts included in Avoided Costs Plus General Administration Allocation

Accounts	Total	Residential	GS <50	GS>50-Regular	GS> 50-TOU	GS >50-Intermediate	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load
Distribution Plant										
CWMC	$ 775,202	$ 456,268	$ 146,950	$ 162,320	$ -	$ 9,664	$ -	$ -	$ -	$ -
Accumulated Amortization										
Accum. Amortization of Electric Utility Plant - Meters only	$ (386,568)	$ (227,526)	$ (73,279)	$ (80,944)	$ -	$ (4,819)	$ -	$ -	$ -	$ -
Meter Net Fixed Assets	$ 388,634	$ 228,742	$ 73,671	$ 81,376	$ -	$ 4,845	$ -	$ -	$ -	$ -
Misc Revenue										
CWNB	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NFA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
LPHA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operation										
CWMC	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CCA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance										
1860	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Billing and Collection										
CWMR	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CWNB	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Operation, Maintenance and Billing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amortization Expense - Meters	$ 24,729	$ 14,555	$ 4,688	$ 5,178	$ -	$ 308	$ -	$ -	$ -	$ -
Allocated PILs	$ 2,990	$ 1,758	$ 567	$ 627	$ -	$ 37	$ -	$ -	$ -	$ -
Allocated Debt Return	$ 17,684	$ 10,399	$ 3,354	$ 3,710	$ -	$ 221	$ -	$ -	$ -	$ -
Allocated Equity Return	$ 21,952	$ 12,909	$ 4,163	$ 4,606	$ -	$ 274	$ -	$ -	$ -	$ -
Total	**$ 67,355**	**$ 39,621**	**$ 12,772**	**$ 14,121**	**$ -**	**$ 841**	**$ -**	**$ -**	**$ -**	**$ -**

Scenario 2

Accounts included in Directly Related Customer Costs Plus General Administration Allocation

Accounts	Total	Residential	GS <50	GS>50-Regular	GS> 50-TOU	GS >50-Intermediate	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load
Distribution Plant										
CWMC	$ 775,202	$ 456,268	$ 146,950	$ 162,320	$ -	$ 9,664	$ -	$ -	$ -	$ -

Accumulated Amortization													
Accum. Amortization of Electric Utility Plant - Meters only	$ (386,568)	$ (227,526)	$ (73,279)	$ (80,944)	$ -	$ (4,819)	$ -	$ -	$ -	$ -			
Meter Net Fixed Assets	$ 388,634	$ 228,742	$ 73,671	$ 81,376	$ -	$ 4,845	$ -	$ -	$ -	$ -			
Allocated General Plant Net Fixed Assets	$ 87,456	$ 51,730	$ 16,532	$ 18,117	$ -	$ 1,077	$ -	$ -	$ -	$ -			
Meter Net Fixed Assets Including General Plant	$ 476,090	$ 280,472	$ 90,203	$ 99,493	$ -	$ 5,922	$ -	$ -	$ -	$ -			
Misc Revenue													
CWNB	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
NFA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
LPHA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
Sub-total	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*			
Operation													
CWMC	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
CCA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
Sub-total	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*			
Maintenance													
1860	$ 4,280	$ 2,519	$ 811	$ 896	$ -	$ 53	$ -	$ -	$ -	$ -			
Billing and Collection													
CWMR	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
CWNB	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
Sub-total	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*			
Total Operation, Maintenance and Billing	$ 4,280	$ 2,519	$ 811	$ 896	$ -	$ 53	$ -	$ -	$ -	$ -			
Amortization Expense - Meters	$ 24,729	$ 14,555	$ 4,688	$ 5,178	$ -	$ 308	$ -	$ -	$ -	$ -			
Amortization Expense - General Plant assigned to Meters	$ 6,056	$ 3,582	$ 1,145	$ 1,255	$ -	$ 75	$ -	$ -	$ -	$ -			
Admin and General	$ 264,148	$ 193,305	$ 44,913	$ 22,075	$ -	$ 1,480	$ -	$ 765	$ 34	$ 1,576			
Allocated PILs	$ 3,663	$ 2,156	$ 694	$ 767	$ -	$ 46	$ -	$ -	$ -	$ -			
Allocated Debt Return	$ 21,663	$ 12,750	$ 4,107	$ 4,536	$ -	$ 270	$ -	$ -	$ -	$ -			
Allocated Equity Return	$ 26,892	$ 15,828	$ 5,098	$ 5,631	$ -	$ 335	$ -	$ -	$ -	$ -			
Total	**$ 351,432**	**$ 244,696**	**$ 61,456**	**$ 40,338**	**$ -**	**$ 2,567**	**$ -**	**$ 765**	**$ 34**	**$ 1,576**			

Scenario 3

Minimum System Customer Costs Adjusted for PLCC - High Limit Fixed Customer Charge

USoA Account #	Accounts	Total	Residential	GS <50	GS>50-Regular	GS> 50-TOU	GS >50-Intermediate	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load
	Distribution Plant										
	CDMPP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Poles, Towers and Fixtures	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	BCP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	PNCP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	SNCP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Overhead Conductors and Devices	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	LTNCP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	CWCS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

CWMC	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Accumulated Amortization													
Accum. Amortization of Electric Utility Plant -Line Transformers, Services and Meters	$ (3,036,095)	$ (1,972,884)	$ (372,834)	$ (150,936)	$ -	$ (4,907)	$ -	$ (514,518)	$ (10,829)	$ (9,188)			
Customer Related Net Fixed Assets	$ 3,099,299	$ 2,014,458	$ 380,025	$ 152,984	$ -	$ 4,939	$ -	$ 526,415	$ 11,079	$ 9,400			
Allocated General Plant Net Fixed Assets	$ 701,401	$ 455,567	$ 85,281	$ 34,059	$ -	$ 1,098	$ -	$ 120,725	$ 2,538	$ 2,133			
Customer Related NFA Including General Plant	$ 3,800,701	$ 2,470,024	$ 465,306	$ 187,043	$ -	$ 6,037	$ -	$ 647,140	$ 13,617	$ 11,533			
Misc Revenue													
CWNB	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
NFA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
LPHA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
Sub-total	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*			
Operating and Maintenance													
1815-1855	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
1830 & 1835	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
1850	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
1840 & 1845	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
CWMC	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
CCA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
O&M	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
1830	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
1835	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
1855	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
1840	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
1845	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
1860	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
Sub-total	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*			
Billing and Collection													
CWNB	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
CWMR	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
BDHA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
Sub-total	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*			
Sub Total Operating, Maintenance and Biling	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*			
Amortization Expense - Customer Related	$ 233,876	$ 152,198	$ 28,434	$ 10,773	$ -	$ 316	$ -	$ 40,576	$ 854	$ 725			
Amortization Expense - General Plant assigned to Meters	$ 48,572	$ 31,548	$ 5,906	$ 2,359	$ -	$ 76	$ -	$ 8,360	$ 176	$ 148			
Admin and General	$ 416,955	$ 293,313	$ 61,642	$ 25,640	$ -	$ 1,485	$ -	$ 32,092	$ 690	$ 2,093			
Allocated PILs	$ 29,210	$ 18,986	$ 3,582	$ 1,442	$ -	$ 47	$ -	$ 4,961	$ 104	$ 89			
Allocated Debt Return	$ 172,760	$ 112,289	$ 21,183	$ 8,528	$ -	$ 275	$ -	$ 29,343	$ 618	$ 524			
Allocated Equity Return	$ 214,461	$ 139,393	$ 26,296	$ 10,586	$ -	$ 342	$ -	$ 36,426	$ 767	$ 650			
PLCC Adjustment for Line Transformer	$ 41,179	$ 36,293	$ 4,200	$ 267	$ -	$ -	$ -	$ -	$ 228	$ 191			
PLCC Adjustment for Primary Costs	$ 35,921	$ 31,586	$ 3,654	$ 312	$ -	$ 5	$ -	$ -	$ 198	$ 166			
PLCC Adjustment for Secondary Costs	$ 14,861	$ 13,098	$ 1,421	$ 120	$ -	$ -	$ -	$ -	$ 156	$ 67			
Total	**$ 1,023,872**	**$ 666,750**	**$ 137,768**	**$ 58,628**	**$ -**	**$ 2,535**	**$ -**	**$ 151,759**	**$ 2,627**	**$ 3,805**			

Board Staff Interrogatory No. 4

Cost Allocation and Rate Design

Question:

Preamble: Wellington states at Ex8/T1/S2/Pg3 with respect to revenue-to-cost ratios that, "[there is a] further adjustment to be made in 2010 when additional adjustments are made to Street Light and Sentinel Light classes." Wellington is scheduled for to file incentive rate mechanism (IRM) applications in 2010, 2011, and 2012.

Staff has prepared the table 1 regarding revenue-to-cost (R/C) ratios and included Wellington's proposed cost allocation ratios for 2009.

a. Please complete the non-shaded cells in the table for Wellington's intended cost allocation ratios for 2010 and 2011.

Table 1: Cost allocation ratios for Wellington

Class	CA Report[1] Range	CA Info. Filing	2009 Rate Application, as requested	2010 IRM	2011 IRM
Residential	85-115	106.51	103.00		
GS < 50	80-120	109.71	106.62		
GS > 50 kW – regular	80-120	114.91	112.82		
GS > 50 kW - intermediate	85-115	65.07	87.30		
Street Lighting	70-120	8.72	40.47	55.23	70.00
Sentinel Lighting	70-120	16.01	45.23	57.61	70.00
USL	80-120	138.26	112.08		

b. Please confirm that Wellington proposes to implement the ratios in the 2010 and 2011 columns in the table in part (a) in its 2010 and 2011 IRM rate applications.

Response:

a) The Applicant has completed the non-shaded cells of Table 1 to reflect the intended cost allocation ratios for 2010 and 2011 as requested. (Please note that the ratio's on table 1 for street lighting and sentinel lighting was reversed in the

[1] Report of the Board, *Application of Cost Allocation for Electricity Distributors*, November 28, 2007

"2009 Rate Application as requested" column, the Applicant has made the appropriate changes. Also the GS>50 kW Intermediate should read 87.30 not 87.20.)

b) Yes, the Applicant proposes to implement the ratios in the 2010 and 2011 columns in the table in part (a) in its 2010 and 2011 IRM rate applications unless otherwise directed by the OEB.

Board Staff Interrogatory No. 5

Cost Allocation and Rate Design

Question:

Wellington has proposed non-uniform increases and decreases to the fixed and volumetric charges across all rate classes, as seen in the table below produced by Board Staff. The disparity between the increases and decreases to the fixed and volumetric charges has the effect of changing the fixed-to-variable revenue allocation ratio and is indicative of a clear change to Wellington's rate design.
[1] Report of the Board, *Application of Cost Allocation for Electricity Distributors,* November 28, 2007

a. Please clarify if Wellington is seeking a change to its established rate design principles, and explain why Wellington has done so.

Response:

Centre Wellington Hydro is not seeking to change its established rate design principles.

b. If the revenue allocations presented in Table 2 below were made in error, please provide an updated schedule of proposed rates, and update and refile any other affected materials as necessary.

Table 2 –Increase/Decrease year-over-year to volumetric and fixed charges for various rate classes

Class	increase/(decrease) to MFC	Increase/(decrease) to volumetric
	(rounded to nearest %)	
Residential	8	(11)
GS<50	14	(6)
GS>50 - Regular	159	10
GS>50 - Intermediate	(36)	63
Street Lighting	15	999
Sentinel Lighting	18	323
Unmetered Scattered Load	(23)	52

Response:

Centre Wellington Hydro would like to clarify the purpose of Table 5 of Exhibit 9, Tab 1, Schedule 1 reproduced below. The fixed rate charge in the second column is the fixed rate that is required if the existing fixed/variable split was maintained.

As the result of choosing a fixed charge that complied with the cost allocation Board report, the existing fixed/variable split could not be maintained. This was not intended in any way to change rate design principles.

The Rate column in the Rate Application section of the below table provides the proposed fixed rates with the resulting fixed / variable split.

		Existing Fixed/Variable Split (3)		Rate Application		
Customer Class Name	**Rate**	**Fixed %**	**Variable %**	**Rate**	**Fixed %**	**Variable %**
Residential	$12.96	56%	44%	$14.00	61%	39%
General Service Less Than 50 kW	$13.51	23%	77%	$15.44	26%	74%
General Service 50 to 2,999 kW	$50.31	5%	95%	$130.45	13%	87%
General Service 3,000 to 4,999 kW	$880.11	8%	92%	$558.28	5%	95%
Unmetered Scattered Load	$21.52	5%	95%	$16.65	4%	96%
Sentinel Lighting	$2.31	47%	53%	$2.72	56%	44%
Street Lighting	$2.06	49%	51%	$2.36	57%	43%

Board Staff Interrogatory No. 6

Cost Allocation and Rate Design

Question:

Please explain why the Monthly Service Charge for the GS>50 rate class exceeds the ceiling as set out in the cost allocation informational filing.

Response:

The Applicant is requesting that the Monthly Service Charge for the GS>50 – Regular be moved to the cost allocation Maximum amount of $130.45, which is within the OEB Guidelines. Please refer to page 12 of the Application of Cost Allocation for Electricity Distributors, Report of the Board, EB-2007-0667, dated November 28, 2007.

SHEET 1 - Regulatory Assets - Continuity Schedule - Based on Original Submission August 15, 2008

NAME OF UTILITY Centre Wellington Hydro Ltd.
Application ID NUMBER EB-2008-0225

Date 15-Dec-08

Enter appropriate data in cells which are highlighted in yellow only.
Enter the total applied for Regulatory Asset amounts for each account in the appropriate cells below:
Debits should be recorded as positive numbers and credits should be recorded as negative numbers.
Repeat cells going across as necessary for each year in application

Account Description		Account Number	Opening Principal Amounts as of Jan-1-05 [1]	Transactions (additions) during 2005, excluding interest and adjustments [5]	Transactions (reductions) during 2005, excluding interest and adjustments [5]	Adjustments during 2005 - instructed by Board [2]	Adjustments during 2005 - other [3]	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec31-05	Closing Interest Amounts as of Dec-31-05
			2005								
Other Regulatory Assets - Sub-Account - OEB Cost Assessments		1508	$ 8,604					$ 8,604	$ 124	$ 561	$ 685
Other Regulatory Assets - Sub-Account - Pension Contributions		1508		$ 47,320				$ 47,320		$ 817	$ 817
Other Regulatory Assets - Sub-Account - Other [6]		1508						$ -			$ -
Other Regulatory Assets - Sub-Account - Other [6]		1508						$ -			$ -
Other Regulatory Assets - Sub-Account - Other [6]		1508						$ -			$ -
Retail Cost Variance Account - Retail		1518	$ 77,719	$ 27,802	$ (3,396)			$ 102,125	$ -	$ 6,590	$ 6,590
Misc. Deferred Debits		1525	$ 18,921	$ -				$ 18,921	$ -	$ 1,495	$ 1,495
Retail Cost Variance Account - STR		1548	$ 4,607	$ 177	$ (39)			$ 4,745	$ -	$ 338	$ 338
Qualifying Transition Costs [4]		1570	$ 13,555	n/a	n/a		$ (1,355)	$ 12,200	$ -	$ 3,233	$ 3,233
Pre-Market Opening Energy Variances Total [4]		1571	$ 571,511	n/a	n/a			$ 571,511	$ -	$ 151,927	$ 151,927
Extra-Ordinary Event Costs		1572						$ -			$ -
Deferred Rate Impact Amounts		1574						$ -			$ -
RSVA -- One-time Wholesale Market Service		1582	$ 30,313	$ 8,273				$ 38,586	$ 2,136	$ 2,426	$ 4,562
2006 PILs & Taxes Variance		1592	n/a	n/a	n/a	n/a	n/a		n/a	n/a	
Other Deferred Credits		2425						$ -			$ -
	Sub-Total		$ 725,230	$ 83,572	$ (3,435)	$ -	$ (1,355)	$ 804,012	$ 2,260	$ 167,387	$ 169,647
Smart Meter Capital and Recovery Offset		1555						$ -			$ -
Smart Meter Operaqtion, Maintenance and Administration		1556						$ -			$ -
Deferred Payments in Lieu of Taxes		1562	$ (32,576)	$ 196,960	$ (231,568)		$ (148,209)	$ (215,393)	$ 7,431	$ (72,439)	$ (65,008)
Deferred PILs Contra Account [8]		1563	$ 32,576	$ (196,960)	$ 231,568		$ 148,209	$ 215,393	$ (7,431)	$ 72,439	$ 65,008
CDM Expenditirues and Recoveries		1565	$ -	$ 76,046	$ (13,604)			$ 62,442	$ -		$ -
CDM Contra Account		1566	$ -	$ (76,046)	$ 13,604			$ (62,442)	$ -		$ -
Recovery of Regulatory Asset Balances		1590	$ (96,659)		$ (175,335)			$ (271,994)	$ -	$ (14,803)	$ (14,803)
	No sub-total										
Low Voltage Variance Account		1550						$ -			$ -
RSVA - Wholesale Market Service Charge		1580	$ 132,541	$ 96,909				$ 229,450	$ 40,172	$ 17,948	$ 58,120
RSVA - Retail Transmission Network Charge		1584	$ (213,445)	$ (73,203)				$ (286,648)	$ (1,528)	$ (12,356)	$ (13,884)
RSVA - Retail Transmission Connection Charge		1586	$ 83,653	$ (85,970)				$ (2,317)	$ (7,163)	$ 8,140	$ 977
RSVA - Power (including Global Adjustment)		1588	$ (238,608)	$ (267,814)				$ (506,422)	$ 64,819	$ 71,838	$ 136,657
RSVA - Power - Sub-Account - Global Adjustment		1588	$ -	$ (298,965)				$ (298,965)	$ -	$ (9,547)	$ (9,547)
	Sub-Total		$ (235,859)	$ (629,043)	$ -	$ -	$ -	$ (565,937)	$ 96,300	$ 76,023	$ 181,870

Footnotes

[1] As per general ledger, if does not agree to Dec-31-04 balance filed in 2006 EDR then provide supplementary analysis
[2] Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, and etc.
[3] Provide supporting statement indicating nature of this adjustments and periods they relate to
[4] Closed April 30, 2002
[5] For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately.
[6] Please describe "other" components of 1508 and add more component lines if necessary.
[7] Interest projected on December 31, 2007 closing principal balance.
[8] 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.

SHEET 1 - Regulatory Assets - Continuity Schedule - Based on Original S

NAME OF UTILITY	Centre Wellington Hydro Ltd.
Application ID NUMBER	EB-2008-0225
Date	15-Dec-08

Account Description		Account Number	2006 Opening Principal Amounts as of Jan-1-06	2006 Transactions (additions) during 2006, excluding interest and adjustments [5]	2006 Transactions (reductions) during 2006, excluding interest and adjustments [5]	2006 Adjustments during 2006 - instructed by Board [2]	2006 Adjustments during 2006 - other [3]	2006 Transfer of Board-approved amounts to 1590 as per 2006 EDR	2006 Closing Principal Balance as of Dec-31-06	2006 Opening Interest Amounts as of Jan-1-06	2006 Interest Jan-1 to Dec31-06	2006 Transfer of Board-approved amounts to 1590 as per 2006 EDR	2006 Closing Interest Amounts as of Dec-31-06
Other Regulatory Assets - Sub-Account - OEB Cost Assessments		1508	$ 8,604		$ (8,604)				$ -	$ 685	$ (600)		$ 85
Other Regulatory Assets - Sub-Account - Pension Contributions		1508	$ 47,320	$ 12,330					$ 59,650	$ 817	$ 2,485		$ 3,302
Other Regulatory Assets - Sub-Account - Other [6]		1508	$ -						$ -	$ -			$ -
Other Regulatory Assets - Sub-Account - Other [6]		1508	$ -						$ -	$ -			$ -
Other Regulatory Assets - Sub-Account - Other [6]		1508	$ -						$ -	$ -			$ -
Retail Cost Variance Account - Retail		1518	$ 102,125		$ (59,243)				$ 42,882	$ 6,590	$ (3,611)		$ 2,979
Misc. Deferred Debits		1525	$ 18,921		$ (18,921)				$ -	$ 1,495	$ (1,495)		$ -
Retail Cost Variance Account - STR		1548	$ 4,745		$ (3,707)				$ 1,038	$ 338	$ (296)		$ 42
Qualifying Transition Costs [4]		1570	$ 12,200	n/a	n/a			$ (12,200)	$ -	$ 3,233		$ (3,233)	$ -
Pre-Market Opening Energy Variances Total [4]		1571	$ 571,511	n/a	n/a			$ (571,511)	$ -	$ 151,927		$ (151,927)	$ -
Extra-Ordinary Event Costs		1572	$ -						$ -	$ -			$ -
Deferred Rate Impact Amounts		1574	$ -						$ -	$ -			$ -
RSVA -- One-time Wholesale Market Service		1582	$ 38,586	$ (24,816)					$ 13,770	$ 4,562	$ (3,755)		$ 807
2006 PILs & Taxes Variance		1592	$ -						$ -	$ -			$ -
Other Deferred Credits		2425	$ -						$ -	$ -			$ -
	Sub-Total		$ 804,012	$ (12,486)	$ (90,475)	$ -	$ -	$ (583,711)	$ 117,340	$ 169,647	$ (7,272)	$ (155,160)	$ 7,215
Smart Meter Capital and Recovery Offset		1555	$ -		$ (28,995)				$ (28,995)	$ -	$ (296)		$ (296)
Smart Meter Operaqtion, Maintenance and Administration		1556	$ -	$ 6,588					$ 6,588	$ -	$ 195		$ 195
Deferred Payments in Lieu of Taxes		1562	$ (215,393)	$ 248,010	$ (123,132)		$ 183,244		$ 92,729	$ (65,008)	$ 21,181		$ (43,827)
Deferred PILs Contra Account [8]		1563	$ 215,393	$ (248,010)	$ 123,132		$ (183,244)		$ (92,729)	$ 65,008	$ (21,181)		$ 43,827
CDM Expenditirues and Recoveries		1565	$ 62,442	$ 27,832					$ 90,274	$ -			$ -
CDM Contra Account		1566	$ (62,442)	$ (27,832)					$ (90,274)	$ -			$ -
Recovery of Regulatory Asset Balances		1590	$ (271,994)	$ 550,817					$ 278,823	$ (14,803)	$ (4,022)		$ (18,825)
	No sub-total												
Low Voltage Variance Account		1550	$ -	$ (38,233)					$ (38,233)	$ -	$ (126)		$ (126)
RSVA - Wholesale Market Service Charge		1580	$ 229,450	$ (332,148)					$ (102,698)	$ 58,120	$ (44,297)		$ 13,823
RSVA - Retail Transmission Network Charge		1584	$ (286,648)	$ 243,961					$ (42,687)	$ (13,884)	$ 12,582		$ (1,302)
RSVA - Retail Transmission Connection Charge		1586	$ (2,317)	$ (332,598)					$ (334,915)	$ 977	$ 15,159		$ 16,136
RSVA - Power (including Global Adjustment)		1588	$ (506,422)	$ 361,664					$ (144,758)	$ 136,657	$ (18,610)		$ 118,047
RSVA - Power - Sub-Account - Global Adjustment		1588	$ (298,965)	$ 236,140					$ (62,825)	$ (9,547)	$ (6,901)		$ (16,448)
	Sub-Total		$ (565,937)	$ 138,786	$ -	$ -	$ -	$ -	$ (663,291)	$ 181,870	$ (42,193)	$ -	$ 146,578
	Footnotes												

SHEET 1 - Regulatory Assets - Continuity Schedule - Based on Original S

NAME OF UTILITY	Centre Wellington Hydro Ltd.
Application ID NUMBER	EB-2008-0225
Date	15-Dec-08

Account Description		Account Number	2007 Opening Principal Amounts as of Jan-1-07	2007 Transactions (additions) during 2007, excluding interest and adjustments [5]	2007 Transactions (reductions) during 2007, excluding interest and adjustments [5]	2007 Adjustments during 2007 - instructed by Board [2]	2007 Adjustments during 2007 - other [3]	2007 Closing Principal Balance as of Dec-31-07	2007 Opening Interest Amounts as of Jan-1-07	2007 Interest Jan-1 to Dec31-07	2007 Closing Interest Amounts as of Dec-31-07
Other Regulatory Assets - Sub-Account - OEB Cost Assessments		1508	$ -					$ -	$ 85		$ 85
Other Regulatory Assets - Sub-Account - Pension Contributions		1508	$ 59,650					$ 59,650	$ 3,302	$ 2,820	$ 6,122
Other Regulatory Assets - Sub-Account - Other [6]		1508	$ -					$ -	$ -		$ -
Other Regulatory Assets - Sub-Account - Other [6]		1508	$ -					$ -	$ -		$ -
Other Regulatory Assets - Sub-Account - Other [6]		1508	$ -					$ -	$ -		$ -
Retail Cost Variance Account - Retail		1518	$ 42,882	$ 7,889				$ 50,771	$ 2,979	$ 2,221	$ 5,200
Misc. Deferred Debits		1525	$ -					$ -	$ -		$ -
Retail Cost Variance Account - STR		1548	$ 1,038	$ 352				$ 1,390	$ 42	$ 57	$ 99
Qualifying Transition Costs [4]		1570	$ -	n/a	n/a			$ -	$ -		$ -
Pre-Market Opening Energy Variances Total [4]		1571	$ -	n/a	n/a			$ -	$ -		$ -
Extra-Ordinary Event Costs		1572	$ -					$ -	$ -		$ -
Deferred Rate Impact Amounts		1574	$ -					$ -	$ -		$ -
RSVA -- One-time Wholesale Market Service		1582	$ 13,770	$ 4,966				$ 18,736	$ 807	$ 762	$ 1,569
2006 PILs & Taxes Variance		1592	$ -					$ -	$ -		$ -
Other Deferred Credits		2425	$ -					$ -	$ -		$ -
	Sub-Total		$ 117,340	$ 13,207	$ -	$ -	$ -	$ 130,547	$ 7,215	$ 5,860	$ 13,075
Smart Meter Capital and Recovery Offset		1555	$ (28,995)		$ (28,001)			$ (56,996)	$ (296)	$ (2,001)	$ (2,297)
Smart Meter Operaqtion, Maintenance and Administration		1556	$ 6,588	$ 18,324				$ 24,912	$ 195	$ 671	$ 866
Deferred Payments in Lieu of Taxes		1562	$ 92,729	$ 32,116	$ (36,362)			$ 88,483	$ (43,827)	$ 4,021	$ (39,806)
Deferred PILs Contra Account [8]		1563	$ (92,729)	$ (32,116)	$ 36,362			$ (88,483)	$ 43,827	$ (4,021)	$ 39,806
CDM Expenditirues and Recoveries		1565	$ 90,274	$ 28,720				$ 118,994	$ -		$ -
CDM Contra Account		1566	$ (90,274)	$ (28,720)				$ (118,994)	$ -		$ -
Recovery of Regulatory Asset Balances		1590	$ 278,823	$ (195,482)				$ 83,341	$ (18,825)	$ (2,120)	$ (20,945)
	No sub-total										
Low Voltage Variance Account		1550	$ (38,233)	$ (61,282)				$ (99,515)	$ (126)	$ (2,634)	$ (2,760)
RSVA - Wholesale Market Service Charge		1580	$ (102,698)	$ (201,963)				$ (304,661)	$ 13,823	$ (5,428)	$ 8,395
RSVA - Retail Transmission Network Charge		1584	$ (42,687)	$ 56,019				$ 13,332	$ (1,302)	$ 1,652	$ 350
RSVA - Retail Transmission Connection Charge		1586	$ (334,915)	$ (363,637)				$ (698,552)	$ 16,136	$ (19,830)	$ (3,694)
RSVA - Power (including Global Adjustment)		1588	$ (144,758)	$ (131,670)				$ (276,428)	$ 118,047	$ 20,823	$ 138,870
RSVA - Power - Sub-Account - Global Adjustment		1588	$ (62,825)	$ (44,264)				$ (107,089)	$ (16,448)	$ (5,678)	$ (22,126)
	Sub-Total		$ (663,291)	$ (746,797)	$ -	$ -	$ -	$ (1,365,824)	$ 146,578	$ (11,095)	$ 141,161
	Footnotes										

SHEET 1 - Regulatory Assets - Continuity Schedule - Based on Original S

NAME OF UTILITY	Centre Wellington Hydro Ltd.
Application ID NUMBER	EB-2008-0225
Date	15-Dec-08

Account Description		Account Number	Projected Interest on Dec 31 -07 balance from Jan 1, 2008 to Dec 31, 2008 [7]	Projected Interest on Dec 31 -07 balance from Jan 1, 2009 to April 30, 2009 [7]	Balance before Forecasted Transactions	Forecasted Transactions, Excluding Interest from Jan 1, 2008 to Dec 31, 2008	Forecasted Transactions, Excluding Interest from Jan 1, 2009 to April 30, 2009	Projected Interest from Jan 1, 2008 to April 30, 2009 on Forecasted Transx (Excl Interest) from Jan 1, 2008 to December 31, 2008	Projected Interest from Jan 1, 2009 to April 30, 2009 on Forecasted Transx (Excl Interest) from Jan 1, 2009 to April 30, 2009	Balance
Other Regulatory Assets - Sub-Account - OEB Cost Assessments		1508			$ 85					$ 85
Other Regulatory Assets - Sub-Account - Pension Contributions		1508	$ 3,239	$ 1,080	$ 70,091					$ 70,091
Other Regulatory Assets - Sub-Account - Other [6]		1508			$ -					$ -
Other Regulatory Assets - Sub-Account - Other [6]		1508			$ -					$ -
Other Regulatory Assets - Sub-Account - Other [6]		1508			$ -					$ -
Retail Cost Variance Account - Retail		1518	$ 2,757	$ 919	$ 59,647					$ 59,647
Misc. Deferred Debits		1525			$ -					$ -
Retail Cost Variance Account - STR		1548	$ 76	$ 25	$ 1,590					$ 1,590
Qualifying Transition Costs [4]		1570			$ -					$ -
Pre-Market Opening Energy Variances Total [4]		1571			$ -					$ -
Extra-Ordinary Event Costs		1572			$ -					$ -
Deferred Rate Impact Amounts		1574			$ -					$ -
RSVA -- One-time Wholesale Market Service		1582	$ 1,017	$ 339	$ 21,661					$ 21,661
2006 PILs & Taxes Variance		1592			$ -					$ -
Other Deferred Credits		2425			$ -					$ -
	Sub-Total		$ 7,089	$ 2,363	$ 153,074	$ -	$ -	$ -	$ -	$ 153,074
Smart Meter Capital and Recovery Offset		1555	$ (3,094)	$ (1,032)	$ (63,419)					$ (63,419)
Smart Meter Operaqtion, Maintenance and Administration		1556	$ 1,352	$ 451	$ 27,581					$ 27,581
Deferred Payments in Lieu of Taxes		1562	$ 4,804	$ 1,602	$ 55,083					$ 55,083
Deferred PILs Contra Account [8]		1563	$ (4,804)	$ (1,602)	$ (55,083)					$ (55,083)
CDM Expenditirues and Recoveries		1565	$ -	$ -	$ 118,994					$ 118,994
CDM Contra Account		1566	$ -	$ -	$ (118,994)					$ (118,994)
Recovery of Regulatory Asset Balances		1590			$ 62,396					$ 62,396
	No sub-total									
Low Voltage Variance Account		1550	$ (5,405)	$ (1,801)	$ (109,481)					$ (109,481)
RSVA - Wholesale Market Service Charge		1580	$ (16,544)	$ (5,514)	$ (318,324)					$ (318,324)
RSVA - Retail Transmission Network Charge		1584	$ 724	$ 241	$ 14,647					$ 14,647
RSVA - Retail Transmission Connection Charge		1586	$ (37,932)	$ (12,644)	$ (752,822)					$ (752,822)
RSVA - Power (including Global Adjustment)		1588	$ (15,009)	$ (5,003)	$ (157,570)					$ (157,570)
RSVA - Power - Sub-Account - Global Adjustment		1588			$ (129,215)					$ (129,215)
	Sub-Total		$ (74,166)	$ (24,721)	$ (1,323,550)	$ -	$ -	$ -	$ -	$ (1,323,550)

Footnotes

SHEET 1 - Regulatory Assets - Continuity Schedule - Revised for Interest Rates - December 15, 2008

NAME OF UTILITY Centre Wellington Hydro Ltd.
Application ID NUMBER EB-2008-0225

Date 15-Dec-08

Enter appropriate data in cells which are highlighted in yellow only.
Enter the total applied for Regulatory Asset amounts for each account in the appropriate cells below:
Debits should be recorded as positive numbers and credits should be recorded as negative numbers.
Repeat cells going across as necessary for each year in application

Account Description	Account Number	2005 Opening Principal Amounts as of Jan-1-05 [1]	Transactions (additions) during 2005, excluding interest and adjustments [5]	Transactions (reductions) during 2005, excluding interest and adjustments [5]	Adjustments during 2005 - instructed by Board [2]	Adjustments during 2005 - other [3]	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec31-05	Closing Interest Amounts as of Dec-31-05
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	$ 8,604					$ 8,604	$ 124	$ 561	$ 685
Other Regulatory Assets - Sub-Account - Pension Contributions	1508		$ 47,320				$ 47,320		$ 817	$ 817
Other Regulatory Assets - Sub-Account - Other [6]	1508						$ -			$ -
Other Regulatory Assets - Sub-Account - Other [6]	1508						$ -			$ -
Other Regulatory Assets - Sub-Account - Other [6]	1508						$ -			$ -
Retail Cost Variance Account - Retail	1518	$ 77,719	$ 27,802	$ (3,396)			$ 102,125	$ -	$ 6,590	$ 6,590
Misc. Deferred Debits	1525	$ 18,921	$ -				$ 18,921	$ -	$ 1,495	$ 1,495
Retail Cost Variance Account - STR	1548	$ 4,607	$ 177	$ (39)			$ 4,745	$ -	$ 338	$ 338
Qualifying Transition Costs [4]	1570	$ 13,555	n/a	n/a		$ (1,355)	$ 12,200	$ -	$ 3,233	$ 3,233
Pre-Market Opening Energy Variances Total [4]	1571	$ 571,511	n/a	n/a			$ 571,511	$ -	$ 151,927	$ 151,927
Extra-Ordinary Event Costs	1572						$ -			$ -
Deferred Rate Impact Amounts	1574						$ -			$ -
RSVA -- One-time Wholesale Market Service	1582	$ 30,313	$ 8,273				$ 38,586	$ 2,136	$ 2,426	$ 4,562
2006 PILs & Taxes Variance	1592	n/a	n/a	n/a	n/a	n/a		n/a	n/a	
Other Deferred Credits	2425						$ -			$ -
Sub-Total		$ 725,230	$ 83,572	$ (3,435)	$ -	$ (1,355)	$ 804,012	$ 2,260	$ 167,387	$ 169,647
Smart Meter Capital and Recovery Offset	1555						$ -			$ -
Smart Meter Operaqtion, Maintenance and Administration	1556						$ -			$ -
Deferred Payments in Lieu of Taxes	1562	$ (32,576)	$ 196,960	$ (231,568)		$ (148,209)	$ (215,393)	$ 7,431	$ (72,439)	$ (65,008)
Deferred PILs Contra Account [8]	1563	$ 32,576	$ (196,960)	$ 231,568		$ 148,209	$ 215,393	$ (7,431)	$ 72,439	$ 65,008
CDM Expenditirues and Recoveries	1565	$ -	$ 76,046	$ (13,604)			$ 62,442	$ -		$ -
CDM Contra Account	1566	$ -	$ (76,046)	$ 13,604			$ (62,442)	$ -		$ -
Recovery of Regulatory Asset Balances	1590	$ (96,659)		$ (175,335)			$ (271,994)	$ -	$ (14,803)	$ (14,803)
No sub-total										
Low Voltage Variance Account	1550						$ -			$ -
RSVA - Wholesale Market Service Charge	1580	$ 132,541	$ 96,909				$ 229,450	$ 40,172	$ 17,948	$ 58,120
RSVA - Retail Transmission Network Charge	1584	$ (213,445)	$ (73,203)				$ (286,648)	$ (1,528)	$ (12,356)	$ (13,884)
RSVA - Retail Transmission Connection Charge	1586	$ 83,653	$ (85,970)				$ (2,317)	$ (7,163)	$ 8,140	$ 977
RSVA - Power (including Global Adjustment)	1588	$ (238,608)	$ (267,814)				$ (506,422)	$ 64,819	$ 71,838	$ 136,657
RSVA - Power - Sub-Account - Global Adjustment	1588	$ -	$ (298,965)				$ (298,965)	$ -	$ (9,547)	$ (9,547)
Sub-Total		$ (235,859)	$ (629,043)	$ -	$ -	$ -	$ (565,937)	$ 96,300	$ 76,023	$ 181,870

Footnotes

[1] As per general ledger, if does not agree to Dec-31-04 balance filed in 2006 EDR then provide supplementary analysis
[2] Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, and etc.
[3] Provide supporting statement indicating nature of this adjustments and periods they relate to
[4] Closed April 30, 2002
[5] For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately.
[6] Please describe "other" components of 1508 and add more component lines if necessary.
[7] Interest projected on December 31, 2007 closing principal balance.
[8] 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.

SHEET 1 - Regulatory Assets - Continuity Schedule - Revised for Interest

NAME OF UTILITY	Centre Wellington Hydro Ltd.
Application ID NUMBER	EB-2008-0225
Date	15-Dec-08

Account Description		Account Number	2006 Opening Principal Amounts as of Jan-1-06	2006 Transactions (additions) during 2006, excluding interest and adjustments [5]	2006 Transactions (reductions) during 2006, excluding interest and adjustments [5]	2006 Adjustments during 2006 - instructed by Board [2]	2006 Adjustments during 2006 - other [3]	2006 Transfer of Board-approved amounts to 1590 as per 2006 EDR	2006 Closing Principal Balance as of Dec-31-06	2006 Opening Interest Amounts as of Jan-1-06	2006 Interest Jan-1 to Dec31-06	2006 Transfer of Board-approved amounts to 1590 as per 2006 EDR	2006 Closing Interest Amounts as of Dec-31-06
Other Regulatory Assets - Sub-Account - OEB Cost Assessments		1508	$ 8,604		$ (8,604)				$ -	$ 685	$ (600)		$ 85
Other Regulatory Assets - Sub-Account - Pension Contributions		1508	$ 47,320	$ 12,330					$ 59,650	$ 817	$ 2,485		$ 3,302
Other Regulatory Assets - Sub-Account - Other [6]		1508	$ -						$ -	$ -			$ -
Other Regulatory Assets - Sub-Account - Other [6]		1508	$ -						$ -	$ -			$ -
Other Regulatory Assets - Sub-Account - Other [6]		1508	$ -						$ -	$ -			$ -
Retail Cost Variance Account - Retail		1518	$ 102,125		$ (59,243)				$ 42,882	$ 6,590	$ (3,611)		$ 2,979
Misc. Deferred Debits		1525	$ 18,921		$ (18,921)				$ -	$ 1,495	$ (1,495)		$ -
Retail Cost Variance Account - STR		1548	$ 4,745		$ (3,707)				$ 1,038	$ 338	$ (296)		$ 42
Qualifying Transition Costs [4]		1570	$ 12,200	n/a	n/a			$ (12,200)	$ -	$ 3,233		$ (3,233)	$ -
Pre-Market Opening Energy Variances Total [4]		1571	$ 571,511	n/a	n/a			$ (571,511)	$ -	$ 151,927		$ (151,927)	$ -
Extra-Ordinary Event Costs		1572	$ -						$ -	$ -			$ -
Deferred Rate Impact Amounts		1574	$ -						$ -	$ -			$ -
RSVA -- One-time Wholesale Market Service		1582	$ 38,586	$ (24,816)					$ 13,770	$ 4,562	$ (3,755)		$ 807
2006 PILs & Taxes Variance		1592	$ -						$ -	$ -			$ -
Other Deferred Credits		2425	$ -						$ -	$ -			$ -
	Sub-Total		$ 804,012	$ (12,486)	$ (90,475)	$ -	$ -	$ (583,711)	$ 117,340	$ 169,647	$ (7,272)	$ (155,160)	$ 7,215
Smart Meter Capital and Recovery Offset		1555	$ -		$ (28,995)				$ (28,995)	$ -	$ (296)		$ (296)
Smart Meter Operaqtion, Maintenance and Administration		1556	$ -	$ 6,588					$ 6,588	$ -	$ 195		$ 195
Deferred Payments in Lieu of Taxes		1562	$ (215,393)	$ 248,010	$ (123,132)		$ 183,244		$ 92,729	$ (65,008)	$ 21,181		$ (43,827)
Deferred PILs Contra Account [8]		1563	$ 215,393	$ (248,010)	$ 123,132		$ (183,244)		$ (92,729)	$ 65,008	$ (21,181)		$ 43,827
CDM Expenditirues and Recoveries		1565	$ 62,442	$ 27,832					$ 90,274	$ -			$ -
CDM Contra Account		1566	$ (62,442)	$ (27,832)					$ (90,274)	$ -			$ -
Recovery of Regulatory Asset Balances		1590	$ (271,994)	$ 550,817					$ 278,823	$ (14,803)	$ (4,022)		$ (18,825)
	No sub-total												
Low Voltage Variance Account		1550	$ -	$ (38,233)					$ (38,233)	$ -	$ (126)		$ (126)
RSVA - Wholesale Market Service Charge		1580	$ 229,450	$ (332,148)					$ (102,698)	$ 58,120	$ (44,297)		$ 13,823
RSVA - Retail Transmission Network Charge		1584	$ (286,648)	$ 243,961					$ (42,687)	$ (13,884)	$ 12,582		$ (1,302)
RSVA - Retail Transmission Connection Charge		1586	$ (2,317)	$ (332,598)					$ (334,915)	$ 977	$ 15,159		$ 16,136
RSVA - Power (including Global Adjustment)		1588	$ (506,422)	$ 361,664					$ (144,758)	$ 136,657	$ (18,610)		$ 118,047
RSVA - Power - Sub-Account - Global Adjustment		1588	$ (298,965)	$ 236,140					$ (62,825)	$ (9,547)	$ (6,901)		$ (16,448)
	Sub-Total		$ (565,937)	$ 138,786	$ -	$ -	$ -	$ -	$ (663,291)	$ 181,870	$ (42,193)	$ -	$ 146,578
	Footnotes												

SHEET 1 - Regulatory Assets - Continuity Schedule - Revised for Interest

NAME OF UTILITY	Centre Wellington Hydro Ltd.
Application ID NUMBER	EB-2008-0225
Date	15-Dec-08

Account Description	Account Number	2007 Opening Principal Amounts as of Jan-1-07	2007 Transactions (additions) during 2007, excluding interest and adjustments [5]	2007 Transactions (reductions) during 2007, excluding interest and adjustments [5]	2007 Adjustments during 2007 - instructed by Board [2]	2007 Adjustments during 2007 - other [3]	2007 Closing Principal Balance as of Dec-31-07	2007 Opening Interest Amounts as of Jan-1-07	2007 Interest Jan-1 to Dec31-07	2007 Closing Interest Amounts as of Dec-31-07
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	$ -					$ -	$ 85		$ 85
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	$ 59,650					$ 59,650	$ 3,302	$ 2,820	$ 6,122
Other Regulatory Assets - Sub-Account - Other [6]	1508	$ -					$ -	$ -		$ -
Other Regulatory Assets - Sub-Account - Other [6]	1508	$ -					$ -	$ -		$ -
Other Regulatory Assets - Sub-Account - Other [6]	1508	$ -					$ -	$ -		$ -
Retail Cost Variance Account - Retail	1518	$ 42,882	$ 7,889				$ 50,771	$ 2,979	$ 2,221	$ 5,200
Misc. Deferred Debits	1525	$ -					$ -	$ -		$ -
Retail Cost Variance Account - STR	1548	$ 1,038	$ 352				$ 1,390	$ 42	$ 57	$ 99
Qualifying Transition Costs [4]	1570	$ -	n/a	n/a			$ -	$ -		$ -
Pre-Market Opening Energy Variances Total [4]	1571	$ -	n/a	n/a			$ -	$ -		$ -
Extra-Ordinary Event Costs	1572	$ -					$ -	$ -		$ -
Deferred Rate Impact Amounts	1574	$ -					$ -	$ -		$ -
RSVA -- One-time Wholesale Market Service	1582	$ 13,770	$ 4,966				$ 18,736	$ 807	$ 762	$ 1,569
2006 PILs & Taxes Variance	1592	$ -					$ -	$ -		$ -
Other Deferred Credits	2425	$ -					$ -	$ -		$ -
Sub-Total		$ 117,340	$ 13,207	$ -	$ -	$ -	$ 130,547	$ 7,215	$ 5,860	$ 13,075
Smart Meter Capital and Recovery Offset	1555	$ (28,995)		$ (28,001)			$ (56,996)	$ (296)	$ (2,001)	$ (2,297)
Smart Meter Operaqtion, Maintenance and Administration	1556	$ 6,588	$ 18,324				$ 24,912	$ 195	$ 671	$ 866
Deferred Payments in Lieu of Taxes	1562	$ 92,729	$ 32,116	$ (36,362)			$ 88,483	$ (43,827)	$ 4,021	$ (39,806)
Deferred PILs Contra Account [8]	1563	$ (92,729)	$ (32,116)	$ 36,362			$ (88,483)	$ 43,827	$ (4,021)	$ 39,806
CDM Expenditirues and Recoveries	1565	$ 90,274	$ 28,720				$ 118,994	$ -		$ -
CDM Contra Account	1566	$ (90,274)	$ (28,720)				$ (118,994)	$ -		$ -
Recovery of Regulatory Asset Balances	1590	$ 278,823	$ (195,482)				$ 83,341	$ (18,825)	$ (2,120)	$ (20,945)
No sub-total										
Low Voltage Variance Account	1550	$ (38,233)	$ (61,282)				$ (99,515)	$ (126)	$ (2,634)	$ (2,760)
RSVA - Wholesale Market Service Charge	1580	$ (102,698)	$ (201,963)				$ (304,661)	$ 13,823	$ (5,428)	$ 8,395
RSVA - Retail Transmission Network Charge	1584	$ (42,687)	$ 56,019				$ 13,332	$ (1,302)	$ 1,652	$ 350
RSVA - Retail Transmission Connection Charge	1586	$ (334,915)	$ (363,637)				$ (698,552)	$ 16,136	$ (19,830)	$ (3,694)
RSVA - Power (including Global Adjustment)	1588	$ (144,758)	$ (131,670)				$ (276,428)	$ 118,047	$ 20,823	$ 138,870
RSVA - Power - Sub-Account - Global Adjustment	1588	$ (62,825)	$ (44,264)				$ (107,089)	$ (16,448)	$ (5,678)	$ (22,126)
Sub-Total		$ (663,291)	$ (746,797)	$ -	$ -	$ -	$ (1,365,824)	$ 146,578	$ (11,095)	$ 141,161
Footnotes										

SHEET 1 - Regulatory Assets - Continuity Schedule - Revised for Interest

NAME OF UTILITY	Centre Wellington Hydro Ltd.
Application ID NUMBER	EB-2008-0225
Date	15-Dec-08

Account Description		Account Number	Projected Interest on Dec 31 -07 balance from Jan 1, 2008 to Dec 31, 2008 [7]	Projected Interest on Dec 31 -07 balance from Jan 1, 2009 to April 30, 2009 [7]	Balance before Forecasted Transactions	Forecasted Transactions, Excluding Interest from Jan 1, 2008 to Dec 31, 2008	Forecasted Transactions, Excluding Interest from Jan 1, 2009 to April 30, 2009	Projected Interest from Jan 1, 2008 to April 30, 2009 on Forecasted Transx (Excl Interest) from Jan 1, 2008 to December 31, 2008	Projected Interest from Jan 1, 2009 to April 30, 2009 on Forecasted Transx (Excl Interest) from Jan 1, 2009 to April 30, 2009	Balance
Other Regulatory Assets - Sub-Account - OEB Cost Assessments		1508			$ 85					$ 85
Other Regulatory Assets - Sub-Account - Pension Contributions		1508	$ 1,998	$ 1,998	$ 69,768					$ 69,768
Other Regulatory Assets - Sub-Account - Other [6]		1508			$ -					$ -
Other Regulatory Assets - Sub-Account - Other [6]		1508			$ -					$ -
Other Regulatory Assets - Sub-Account - Other [6]		1508			$ -					$ -
Retail Cost Variance Account - Retail		1518	$ 1,701	$ 1,701	$ 59,373					$ 59,373
Misc. Deferred Debits		1525			$ -					$ -
Retail Cost Variance Account - STR		1548	$ 46	$ 47	$ 1,582					$ 1,582
Qualifying Transition Costs [4]		1570			$ -					$ -
Pre-Market Opening Energy Variances Total [4]		1571			$ -					$ -
Extra-Ordinary Event Costs		1572			$ -					$ -
Deferred Rate Impact Amounts		1574			$ -					$ -
RSVA -- One-time Wholesale Market Service		1582	$ 627	$ 627	$ 21,559					$ 21,559
2006 PILs & Taxes Variance		1592			$ -					$ -
Other Deferred Credits		2425			$ -					$ -
	Sub-Total		$ 4,372	$ 4,373	$ 152,367	$ -	$ -	$ -	$ -	$ 152,367
Smart Meter Capital and Recovery Offset		1555	$ (1,910)	$ (1,909)	$ (63,112)					$ (63,112)
Smart Meter Operaqtion, Maintenance and Administration		1556	$ 834	$ 834	$ 27,446					$ 27,446
Deferred Payments in Lieu of Taxes		1562	$ 2,964	$ 2,964	$ 54,605					$ 54,605
Deferred PILs Contra Account [8]		1563	$ (2,964)	$ (2,964)	$ (54,605)					$ (54,605)
CDM Expenditirues and Recoveries		1565	$ -	$ -	$ 118,994					$ 118,994
CDM Contra Account		1566	$ -	$ -	$ (118,994)					$ (118,994)
Recovery of Regulatory Asset Balances		1590			$ 62,396					$ 62,396
	No sub-total									
Low Voltage Variance Account		1550	$ (3,335)	$ (3,334)	$ (108,944)					$ (108,944)
RSVA - Wholesale Market Service Charge		1580	$ (10,206)	$ (10,206)	$ (316,678)					$ (316,678)
RSVA - Retail Transmission Network Charge		1584	$ 446	$ 447	$ 14,575					$ 14,575
RSVA - Retail Transmission Connection Charge		1586	$ (23,402)	$ (23,402)	$ (749,050)					$ (749,050)
RSVA - Power (including Global Adjustment)		1588	$ (9,259)	$ (9,260)	$ (156,077)					$ (156,077)
RSVA - Power - Sub-Account - Global Adjustment		1588			$ (129,215)					$ (129,215)
	Sub-Total		$ (45,756)	$ (45,755)	$ (1,316,174)	$ -	$ -	$ -	$ -	$ (1,316,174)

Footnotes

Board Staff Interrogatory No. 7

Deferral and Variance Accounts

Question :

[Ref: Ex5/T1/S2/Pg1]

Wellington is requesting for disposition of regulatory variance accounts.

a. Please provide the information as shown in the attached continuity schedule in excel format for regulatory assets. Please note that forecasting principal transactions beyond 2007 and the accrued interest on these forecasted balances and including them in the attached continuity schedule is optional.

Response:

Two tables of the completed continuity schedule for regulatory assets have been attached. The first table is based on the original submission of August 15, 2008 and the second table includes a correction to the interest rates applied to the regulatory assets. The rate was changed from 5.43% to 3.35%.

The impact of the interest rate change is reflected on the Summary of Changes table included with the Manager's Summary.

The Applicant has chosen not to forecast principal transactions beyond the December 31, 2007 audited year end. The Applicant has accrued additional interest on the principal amounts as at December 31, 2007 only to the beginning of the new rate application date of May 1, 2009. Interest is calculated based on the OEB prescribed interest rates. Interest is calculated on the simple method.

b. Please provide a schedule reconciling the completed continuity schedule in part (a) with Tables 1 (Ex5/T1/S2/page2) and Table 3 (Ex5/T1/S4/page1) of Wellington's application.

Response:

Please see the below table for the reconciliation as requested is based originally submitted data.

Regulatory Accounts for Dispositon	Continuity Statement (part a)	Table 1 E5 T1 S2	Table 3 E5 T1 S4
1508 Other Regulatory Assets-Sub Account-OEB Cost Assets	$ 85		
1508 other Regulatory Assets-Sub Account-Pension Contributions	$ 70,091		
Total 1508 -Other Regulatory Assets	$ 70,176	$ 70,176	$ 70,176
1550 Low Voltage Variance Account	$ (109,481)	$ (109,481)	$ (109,481)
1584 RSVA Network	$ 14,647	$ 14,647	$ 14,647
1586 RSVA Connection	$ (752,822)	$ (752,822)	$ (752,822)
	$ (777,480)	$ (777,480)	$ (777,480)

Board Staff Interrogatory No. 8

Deferral and Variance Accounts

Question:

What are the interest rates being used to calculate carrying charges for each regulatory deferral and variance account for the period from January 1, 2005 to present?

Response:

The interest rates being used to calculate carrying charges for each regulatory deferral and variance account for the period from January 1, 2005 to present were the “OEB Prescribed Interest rates” which are adjusted quarterly by the OEB.

In the Rate Application submitted on August 15, 2008, the wrong interest rate was inputted into the model to calculate the interest on the deferral and variance accounts for 2008 and 2009. This rate has been modified from 5.43% to 3.35% and adjustments have been made, the end effect is reflected in the updated “Proposed Tariff of Rates and Charges” included with the answer to question 18.

Board Staff Interrogatory No. 9

Deferral and Variance Accounts

Question :

[Ref: Ex5/T1/S2/Pg1]

Account 1588 is subject to quarterly reviews under Section 78(6.1) of the *Ontario Energy Board Act, 1998.* The Board has launched an initiative on a review and disposition process and is considering extending this initiative to include all the RCVA and RSVA accounts. Wellington has applied for clearance of Account 1584, and Account 1586. Why should these two accounts be cleared outside this process?

Response:

Centre Wellington has taken a proactive approach to dispose of the balances in the related RTSR accounts. There has been trend, specifically in the Connection account, where a significant credit balance has been accumulating and it is felt that the 2007 year end audited credit balance should be returned to the customers.

Centre Wellington would like the opportunity to begin returning this money to the customers by disposing of the balances in accounts 1584 RSVA NW and 1586 RSVA CN similar to the balances in Accounts 1508 Other Regulatory Assets and 1550 LV Variance.

Centre Wellington recognizes the OEB is launching a process to dispose of the balances in the Deferral and Variance accounts but cannot see how approval to dispose of accounts 1584 and 1586 will undermine that process in any way.

Board Staff Interrogatory No. 10

Deferral and Variance Accounts

Question:

[Ref: Ex5/T1/S4/Pg1]

Wellington provides details and calculations of the proposed deferral and variance account rate rider by classification in Table 3 (Ex5/T1/S4/page1). Wellington has proposed a recovery period of three years.

a. Please provide a table similar to Ex5/T1/S4/page1 if the Board were to authorize the recovery of the requested accounts over a period of:
   (i) one year;
   (ii) two years.

Response:

As requested in part (i) and (ii), the tables below reflect the rate riders by class if the Board was to authorize the recovery of regulatory assets for the requested accounts.

The Applicant believes it would be better for the customers to spread the rate rider over the three year period because it will provide a smoothing affect over the three years instead of one or two years.

PROPOSED RATE RIDERS - 2 Years - Using August 15, 2008 Rate Submission Figures								
Allocation by Customer Class	Account Balance for Disposition	Residential	GS < 50kW	GS 50 - 2,999 kW	GS 3,000 - 4,999 kW	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
1508-Other Regulatory Assets	70,176	20,550	9,949	29,396	9,570	183	20	508
1550-LV Variance Account	(109,481)	(36,322)	(14,386)	(42,372)	(15,566)	(148)	(22)	(664)
1584-RSVANW	14,647	8,584	2,709	2,840	435	40	2	35
1586-RSVACN	(752,822)	(441,221)	(139,256)	(145,989)	(22,370)	(2,074)	(114)	(1,797)
Total Recoveries Required (2 years)	(777,480)	(448,410)	(140,984)	(156,124)	(27,931)	(1,999)	(114)	(1,918)
Annual Recovery Amounts	(388,740)	(224,205)	(70,492)	(78,062)	(13,966)	(999)	(57)	(959)
Proposed Rate Rider		($0.0050)	($0.0032)	($0.4688)	($0.3183)	($0.0025)	($0.4661)	($0.3128)
per		kWh	kWh	kW	kW	kWh	kW	kW

PROPOSED RATE RIDERS - 1 Years - Using August 15, 2008 Rate Submission Figures								
Allocation by Customer Class	Account Balance for Disposition	Residential	GS < 50kW	GS 50 - 2,999 kW	GS 3,000 - 4,999 kW	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
1508-Other Regulatory Assets	70,176	20,550	9,949	29,396	9,570	183	20	508
1550-LV Variance Account	(109,481)	(36,322)	(14,386)	(42,372)	(15,566)	(148)	(22)	(664)
1584-RSVANW	14,647	8,584	2,709	2,840	435	40	2	35
1586-RSVACN	(752,822)	(441,221)	(139,256)	(145,989)	(22,370)	(2,074)	(114)	(1,797)
Total Recoveries Required (1 years)	(777,480)	(448,410)	(140,984)	(156,124)	(27,931)	(1,999)	(114)	(1,918)
Annual Recovery Amounts	(777,480)	(448,410)	(140,984)	(156,124)	(27,931)	(1,999)	(114)	(1,918)
Proposed Rate Rider		($0.0100)	($0.0065)	($0.9375)	($0.6366)	($0.0050)	($0.9323)	($0.6257)
per		kWh	kWh	kW	kW	kWh	kW	kW

Board Staff Interrogatory No. 11

Deferral and Variance Accounts

Question:

Wellington has not provided a clear description of the amounts recorded in Account 1508. Please provide further details of the amounts that have been recorded in this account.

Response:

Based on the August 15, 2008 submission of the 2009 Rate Application the amount of $70,176 in the Other Regulatory Assets deferral account 1508 is broken down as follows:

a. OMERS deferral amount of $59,650.33 as approved by the OEB for the period of April 1, 2005 to March 31, 2006.

b. Approved carrying charges of $6,122.04 on the OMERS deferral amount for the period of May 1, 2005 to December 31, 2007 and carrying charges of $2,444.78 for the period of January 1, 2008 to April 30, 2009 based on the OEB Prescribed Interest Rates

c. Carrying charges of $84.46 not recovered on the incremental cost of the OEB Assessment for 2004. The majority of this balance was cleared to account 1590 in May 2006.

Board Staff Interrogatory No. 12

Loss Factors

Question:

[Ref: Ex4/T2/S8/Pg2]
Preamble: The customary SFLF of 1.0045 accounts for losses between the defined metering point on the primary side of the transformer and the metering installation on the secondary side of the transformer. For embedded utilities, Hydro One applies a customary loss factor of 1.0340. In its application Wellington states that, "[A] Supply Facilities Loss Factor (SFLF) of 1.0045 was used in the 2006 EDR. Centre Wellington has recalculated the SFLF to be 1.0299 for this [2009] rate application."

Please answer the following:

a. Is Wellington a fully embedded utility of Hydro? If not, please provide an explanation of the weighted average used to calculate its SFLF.

Response:

Centre Wellington Hydro, a market participant with the IESO, is embedded within Hydro One. Centre Wellington is billed by Hydro One from 3 meter points. Two of these points are located within the Village of Elora. The Primary Metering Unit (PMU) going into Elora is owned by Centre Wellington Hydro and is an additive PMU and the Primary Metering Unit going out of Elora is a subtractive and is owned by Hydro One Networks. We are billed on the difference between the two meters with an uplift of 1.0340. The third meter is located at the Fergus TS and solely meters the Town of Fergus and is uplifted by 1.0063. Centre Wellington owns the 44kV line within the licensed service area of the Town of Fergus.

b. Was Wellington a fully embedded utility of Hydro One in 2006? If so, why did Wellington apply an SFLF of 1.0045, the customary SFLF for non-embedded utilities?

Response:

Centre Wellington was an embedded utility of Hydro One in 2006 subject to the comment made in part a). Centre Wellington has been using the SFLF of 1.0045 since December 1, 2001 when that rate was approved per Board File No. EB-2001-0562 [RP-2000-0196] – Other Regulated Charges.

c. How did Wellington calculate its proposed SFLF (1.0299) to a value lower than the floor SFLF (1.034) set by its host distributor?

Response:

Centre Wellington completed a detailed tabulation comparing the purchased kWh to the kWh read at the wholesale meter. The difference is the kWh used to calculate the SFLF. Centre Wellington used a three year average of the SFLF consistent with the period used to calculate the DLF on the same schedule which is Exhibit 4/ Tab 2/ Schedule 8 in the application.

d. What SFLF did Wellington apply to rates in 2007 and 2008?

Response:

Centre Wellington used a 1.0045 SFLF in 2007 and 2008.

Board Staff Interrogatory No. 13

Loss Factors

Question:

[Ref: Ex4/T2/S8/ Pg1]
Wellington seeks a 44% increase of the total loss factor (TLF) over the existing rate schedule, from 1.0472 to 1.0681. Please explain the drivers behind the significant increase to Wellington's TLF.

Response:

The Applicant has reviewed the calculations for the total loss factor (TLF) and has determined that the values used were incorrect. The revised TLF is calculated as 1.0449. Please see the revised "Loss Adjustment Factor Calculation" and supporting "Details of Total Losses".

The impact of this change on the 2009 Rate Application is provided on the Summary of Changes table included with the Manager's summary.

REVISED: Exhibit 4, Tab 2, Schedule 8
Loss Adjustment Factor Calculation

	2003	2004	2005	2006	2007	Ave 2005-2007		
Purchased kWh's	151,346,722	157,652,103	160,365,615	156,947,523	158,318,135	158,543,758		
"Wholesale" kWh (IESO) **Qty at the Meter**	150,922,680	156,298,377	158,215,850	154,774,514	156,206,350	156,398,904	**5 Yr Avg**	**3 Yr Avg**
Supply Facility Loss Factor [(A-B)]	1.0028	1.0087	1.0136	1.0140	1.0135	1.0137	1.0105	1.0137

-

	2003	2004	2005	2006	2007			
"Wholesale" kWh (IESO) **Qty at the Meter**	150,922,680	156,298,377	158,215,850	154,774,514	156,206,350	156,398,904		
Wholesale kWh for Large Use customer(s) (IESO)	-	-	-	-	-	-		
Net "Wholesale" kWh (D)-(E)	150,922,680	156,298,377	158,215,850	154,774,514	156,206,350	156,398,904		
Retail kWh (Distributor) **Qty at the Meter**	145,548,659	150,868,319	153,080,310	150,395,314	151,700,375	151,725,333		
Retail kWh for Large Use Customer(s) (1% loss)	-	-	-	-	-	-		
Net "Retail" kWh (G)-(H)	145,548,659	150,868,319	153,080,310	150,395,314	151,700,375	151,725,333	**5 Yr Avg**	**3 Yr Avg**
Distribution Loss Factor [(F)/(I)]	1.0369	1.0360	1.0335	1.0291	1.0297	1.0308	1.0331	1.0308
Total Loss Factor	1.0398	1.0450	1.0476	1.0436	1.0436	1.0449		

Total Utility Loss Adjustment Factor	**LAF**
Supply Facility Loss Factor	1.0137
Distribution Loss Factor	1.0308
Total Loss Factor	
Secondary Metered Customer	
Total Loss Factor - Secondary Metered Customer < 5,000kW	1.0449
Total Loss Factor - Secondary Metered Customer > 5,000kW	n/a
Primary Metered Customer	
Total Loss Factor - Primary Metered Customer < 5,000kW	1.0345
Total Loss Factor - Primary Metered Customer > 5,000kW	n/a

Detail of Total Losses shown in Exhibit 4, Tab 2, Schedule 9.

Wholesale kWh

	2003	2004	2005	2006	2007
January	14,693,077.19	15,081,309.29	15,004,916.20	14,334,961.98	14,468,145.06
February	13,078,855.44	13,571,202.21	12,706,167.02	13,268,773.63	13,637,367.64
March	13,281,269.34	14,015,407.53	14,226,882.10	14,078,154.39	13,865,203.44
April	12,002,619.66	12,452,694.76	12,082,680.29	12,028,054.82	12,415,899.94
May	11,451,520.05	11,829,313.06	11,580,570.00	12,161,630.22	11,822,300.07
June	11,784,054.53	12,257,969.11	13,384,879.60	12,565,193.68	12,844,519.96
July	12,639,674.23	12,616,083.98	13,464,680.10	13,325,471.52	12,489,667.53
August	10,848,024.81	12,406,096.37	13,258,327.80	12,293,785.08	12,547,847.02
September	11,909,991.59	12,325,476.99	11,929,412.50	11,686,449.62	12,160,112.00
October	12,756,563.21	12,636,799.51	12,942,834.20	12,619,019.69	12,819,723.63
November	12,832,718.21	13,061,212.55	13,449,015.60	13,140,857.81	13,172,963.29
December	13,644,311.26	14,044,811.90	14,185,484.60	13,272,161.39	13,962,610.02
Totals	150,922,679.52	156,298,377.26	158,215,850.01	154,774,513.83	156,206,359.60

Retail kWh

	2003	2004	2005	2006	2007
Residential	42,541,264	44,169,733	45,722,463	44,416,471	44,580,979
GS < 50	20,756,690	20,902,417	21,778,866	21,687,144	21,598,022
USL	336,707	336,707	336,707	344,551	432,046
GS > 50	24,922,377	25,091,570	27,075,246	21,697,190	19,944,828
Int > 50	7,971,303	7,869,579	8,530,429	13,814,881	15,500,690
Int > 1000	23,823,696	27,440,212	25,716,869	28,239,404	27,828,895
Intermediate	24,032,040	23,917,633	22,734,099	19,018,663	20,647,454
Street Lights	1,117,218	1,092,168	1,138,161	1,130,087	1,121,886
Sentinel Lights	47,419	48,300	47,470	46,923	45,575
Total	145,548,714	150,868,319	153,080,310	150,395,314	151,700,375

Board Staff Interrogatory No. 14

Loss Factor

Question:

Wellington achieved distribution loss factor (DLF) of 1.0288 in 2006, and has applied for a DLF of 1.0370 based on a three-year average. Please explain why Wellington has chosen to use a three-year average instead of pursuing the DLF achieved in 2006.

Response:

Centre Wellington continually strives toward reducing its Distribution Loss Factor. 2006 had the lowest DLF in the past five years and may not be the best indicator of future performance. Centre Wellington has chosen to use a smoothing approach taking into consideration 2005, 2006, and 2007. A five year average was also considered, however, 2003 and 2004 had DLFs of 1.0369 and 1.0360, respectively, which were felt to be higher than what Centre Wellington believes it can achieve.

Board Staff Interrogatory No. 15

Loss Factors

Question :

[Ref: Ex4/T2/S8/ Pg1; Ex4/T2/S10/ Pg1]
Wellington provides a materiality analysis on distribution losses at Ex4/T2/S10/page1. Please comment on the source and/or drivers of the variability in the loss factors from the period 2003-2007.

Response:

After correcting the Detail of Total Losses, as shown below, the significant variability on the Distribution Losses has shifted to a much lesser year over year change.

REVISED: Exhibit 4, Tab 2, Schedule 8
Loss Adjustment Factor Calculation

	2003	2004	2005	2006	2007	Ave 2005-2007		
Purchased kWh's	151,346,722	157,652,103	160,365,615	156,947,523	158,318,135	158,543,758		
"Wholesale" kWh (IESO) **Qty at the Meter**	150,922,680	156,298,377	158,215,850	154,774,514	156,206,350	156,398,904	**5 Yr Avg**	**3 Yr Avg**
Supply Facility Loss Factor [(A-B)]	1.0028	1.0087	1.0136	1.0140	1.0135	1.0137	1.0105	1.0137
						-		

	2003	2004	2005	2006	2007			
"Wholesale" kWh (IESO) **Qty at the Meter**	150,922,680	156,298,377	158,215,850	154,774,514	156,206,350	156,398,904		
Wholesale kWh for Large Use customer(s) (IESO)	-	-	-	-	-	-		
Net "Wholesale" kWh (D)-(E)	150,922,680	156,298,377	158,215,850	154,774,514	156,206,350	156,398,904		
Retail kWh (Distributor) **Qty at the Meter**	145,548,659	150,868,319	153,080,310	150,395,314	151,700,375	151,725,333		
Retail kWh for Large Use Customer(s) (1% loss)	-	-	-	-	-	-		
Net "Retail" kWh (G)-(H)	145,548,659	150,868,319	153,080,310	150,395,314	151,700,375	151,725,333	**5 Yr Avg**	**3 Yr Avg**
Distribution Loss Factor [(F)/(I)]	1.0369	1.0360	1.0335	1.0291	1.0297	1.0308	1.0331	1.0308
Total Loss Factor	1.0398	1.0450	1.0476	1.0436	1.0436	1.0449		

Total Utility Loss Adjustment Factor	**LAF**
Supply Facility Loss Factor	1.0137
Distribution Loss Factor	1.0308
Total Loss Factor	
Secondary Metered Customer	
Total Loss Factor - Secondary Metered Customer < 5,000kW	1.0449
Total Loss Factor - Secondary Metered Customer > 5,000kW	n/a
Primary Metered Customer	
Total Loss Factor - Primary Metered Customer < 5,000kW	1.0345
Total Loss Factor - Primary Metered Customer > 5,000kW	n/a

Board Staff Interrogatory No. 16

Loss Factors

Question :

[Ref: Ex4/T2/S8/ Pg1]

Preamble: Wellington has provided a loss adjustment factor calculation at Ex4/T2/S8/page1

Please complete the table 3 below
Table 3: Modified Schedule 10-5: Determination of Loss Factors

		Year1	Year2	Year3	3-yr Average
	Losses in Distributor's System				
A	"Wholesale" kWh delivered to distributor[1]	158,215,850	154,774,514	156,206,350	156,398,904
B	Portion of "Wholesale" kWh delivered to distributor for Large Use Customer(s)[2]	0	0	0	0
C	Net "Wholesale" kWh delivered to distributor (A)-(B)	158,215,850	154,774,514	156,206,350	156,398,904
D	"Retail" kWh delivered by distributor[3]	153,080,310	150,395,314	151,700,375	151,590,701
E	Portion of "Retail" kWh delivered by distributor for Large Use Customer(s)	0	0	0	0
F	Net "Retail" kWh delivered by distributor (D)-(E)	153,080,310	150,395,314	151,700,375	151,590,701
G	Loss Factor in distributor's system [(C)/(F)][4]	1.0335	1.0291	1.0297	1.0308
	Losses Upstream of Distributor's System				
H	Supply Facility Loss Factor[5]	1.0136	1.0140	1.0135	1.0137
	Total Losses				
I	Total Loss Factor [(G)x(H)] [4]	1.0476	1.0436	1.0436	1.0449

[1]**Line A** If directly connected to IESO controlled grid, kWh pertain to metering installation on the secondary or low voltage side of the transformer at the interface with the transmission grid. This corresponds to the "With

Losses" kWh value provided by the IESO's MV-WEB. Additionally, kWh pertaining to distributed generation should be included.

If fully embedded within a host distributor, kWh pertains to virtual meter at the interface between the embedded distributor and the host distributor.

e.g. if the host distributor is Hydro One, kWh from the Hydro One invoice corresponding to "Total kWh" rather than "Total kWh w Losses" should be reported. Additionally, kWh pertaining to distributed generation should be included.

If partially embedded, kWh pertains to sum of above.

[2]**Line B** If Large Customer is metered on the secondary or low voltage side of the transformer, the default loss is 1%, i.e. Line B = 1.01 x Line E.

[3]**Line D** kWh corresponding to D should equal total of "total billed energy sales in kWhs for each rate class" in item 1 of Section 2.1.3 in Electricity Reporting and Record Keeping Requirements dated April 4, 2008.

[4]**Lines G&I** This loss factor pertains to secondary metered customers less than 5,000 kW.

[5]**Line H** If directly connected to IESO controlled grid, SFLF = 1.0045.
If fully embedded within a host distributor,

$$SFLF = LF_{Grid} \times LF_{Host}$$

Where,
SFLF is the supply facilities loss factor
LF_{Grid} is the loss factor from losses in the transformer at the grid interface
LF_{Host} is the loss factor in host distributor's system
If the host distributor is Hydro One, SFLF = 1.0060 x 1.0278 = 1.0340.
If partially embedded, SFLF is weighted average of above.

Response:

The Applicant is seeking approval for a decrease in the Total Loss Factor to 1.0449 from 1.0472. The TLF is based on a three year average of both the Distribution Loss Factor and the Supply Facility Loss Factor.

Board Staff Interrogatory No. 17

Specific Service Charges

Question :

[Ref: Ex9/T1/S6/ Pg 3]

Wellington has added five $15.00 charges that do not appear on their existing rates schedule (2008):

- Statement of Account
- Pulling post-dated cheques
- Duplicate invoices for previous billing
- Income tax letter
- Credit reference/credit check (plus credit agency costs)

a. Has Wellington performed these services in previous years? If so, did Wellington charge for these services?

Response:

The Applicant has provided customers with “duplicate invoices for previous billing”. The customer was not charged for these services as they were not approved “Specific Service Charges”.

b. Why does Wellington expect to perform these services in 2009?

Response:

The Applicant expects that in the future we may perform these services on a sporadic basis and if they become a problem would like the ability to charge the customer; therefore, we are requesting permission to include them in our list of “Approved Specific Service Charges”

c. Please indicate an estimate of the additional revenues that Wellington expects to generate from these specific service charges if not expressly included in the estimate provided for the 2009 Test Year figures provided in the “Summary of Other Operating Revenue” Ex3/T1/S2/page1

Response:

The Applicant has not included estimates for the additional revenues that may be generated from these specific service charges for the 2009 Test Year figures as we have not monitored the number of transactions that have taken place. By having the charges approved the transactions can be monitored and included in the next rate application. The Applicant expects the revenues to be immaterial for the 2009 test year.

Board Staff Interrogatory No. 18

Specific Service Charges

Question:

[Ref: Ex9/T1/S6/ Pg 3]

The following items do no appear on Wellington's proposed schedule of rates:

- "Electronic Business Transaction (EBT)" charge
- "Late Payment – per annum"

Please provide an explanation as to why these items were omitted, and indicate if Wellington intended to include them.

Response:

The items "Electronic Business Transaction (EBT)" charge and "Late Payment – per annum" were inadvertently missed in preparing the Applicant's "Proposed Schedule of Rates".

The Applicant has provided an update below to "Exhibit 1, Tab 1, Schedule 5" and "Exhibit 9, Tab 1, Schedule 6" based on the figures provided in the August 15, 2008 submission of the 2009 Rate Application.

The Applicant has also provided an update in the Manager Summary to "Exhibit 1, Tab 1, Schedule 5" and "Exhibit 9, Tab 1, Schedule 6" based on the proposed changes as at December 15, 2008.

Centre Wellington Hydro Ltd.

PROPOSED TARIFF OF RATES AND CHARGES

Effective May 1, 2009 - REVISED based on original submission of August 15, 2008

MONTHLY RATES AND CHARGES

Residential

Service Charge	$	14.27
Distribution Volumetric Rate	$/kWh	0.0147
Regulatory Asset Recovery	$/kWh	(0.0033)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0046
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service Less Than 50 kW

Service Charge	$	15.71
Distribution Volumetric Rate	$/kWh	0.0174
Regulatory Asset Recovery	$/kWh	(0.0022)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0041
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service 50 to 2,999 kW

Service Charge	$	130.72
Distribution Volumetric Rate	$/kW	3.3651
Regulatory Asset Recovery	$/kW	(0.3125)
Retail Transmission Rate – Network Service Rate	$/kW	2.0328
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.6548
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service 3,000 to 4,999 kW

Service Charge	$	558.55
Distribution Volumetric Rate	$/kW	2.7906
Regulatory Asset Recovery	$/kW	(0.2122)
Retail Transmission Rate – Network Service Rate	$/kW	2.2736
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.9518
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Unmetered Scattered Load

Service Charge (per customer)	$	16.65
Distribution Volumetric Rate	$/kWh	0.0278
Regulatory Asset Recovery	$/kWh	(0.0017)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0041
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Sentinel Lighting

Service Charge (per connection)	$	2.72
Distribution Volumetric Rate	$/kW	7.9390
Regulatory Asset Recovery	$/kW	(0.3108)
Retail Transmission Rate – Network Service Rate	$/kW	1.5409
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.3061
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Street Lighting

Service Charge (per connection)	$	2.36
Distribution Volumetric Rate	$/kW	12.4872
Regulatory Asset Recovery	$/kW	(0.2086)
Retail Transmission Rate – Network Service Rate	$/kW	1.5331
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2793
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Specific Service Charges

Customer Administration		
Arrears Certificate	$	15.00
Statement of Account	$	15.00
Pulling post-dated cheques	$	15.00
Duplicate invoices for previous billing	$	15.00
Request for other billing information	$	15.00
Easement Letter	$	15.00
Income tax letter	$	15.00
Notification Charge	$	15.00
Account history	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned Cheque charge (plus bank charges)	$	15.00
Charge to certify cheque	$	15.00
Legal letter charge	$	15.00
Account set up charge / change of occupancy charge	$	30.00
Special Meter reads	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	$	30.00
Collection of account charge – no disconnection – after regular hours	$	165.00
Disconnect/Reconnect at meter – during regular hours	$	65.00
Disconnect/Reconnect at meter – after regular hours	$	185.00
Disconnect/Reconnect at pole – during regular hours	$	185.00
Disconnect/Reconnect at pole – after regular hours	$	415.00
Install / remove load control device – during regular hours	$	65.00
Install / remove load control device – after regular hours	$	185.00
Service call – customer-owned equipment	$	30.00
Service call – after regular hours	$	165.00
Temporary service install and remove – overhead – no transformer	$	500.00
Temporary service install and remove – underground – no transformer	$	300.00
Temporary service install and remove – overhead – with transformer	$	1000.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.6000)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.0000)

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$	0.50
Distributor-consolidated billing charge, per customer, per retailer	$	0.30
Retailer-consolidted billing credit, per customer, per retailer	$	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

Total Loss Factor-Secondary Metered Customer<5,000 kW	1.0681
Total Loss Factor-Secondary Metered Customer>5,000 kW	N/A
Total Loss Factor-Primary Metered Customer<5,000 kW	1.0574
Total Loss Factor-Primary Metered Customer>5,000 kW	N/A

Board Staff Interrogatory No. 19

Rate Base/Capital Expenditure

Question:

[Ref: Ex2/T3/S2]

The summary of asset additions includes amounts for Contributions and Grants (Account Number 1995). Wellington has not budgeted any amounts for 2008 and 2009. Please confirm whether Wellington will be receiving any contributions or grants for 2008 and 2009. If "Yes", please provide the amounts, a revised summary of asset additions and an explanation for their exclusion from the pre-filed evidence.

Response:

The Applicant has not budgeted for contributed capital in 2008 or 2009. At the time of preparation of the budget, cost of capital projects that were included are being 100% funded by the Applicant.

Board Staff Interrogatory No. 20

Rate Base/Capital Expenditures

Question:

[Ref: Exhibit 2 – Rate Base and Capital Expenditures]

Please provide information for the period 2006 to 2009 in the following table 4 below:

Table 4:

	2006 Actual	**2007 Actual**	**2008 Bridge**	**2009 Test**
Allowed Return on Equity (%) on the regulated rate base				
Actual Return on Equity (%) on the regulated rate base				
Retained Earnings				
Dividends paid to shareholders				
Sustaining capital expenditures (excluding smart meters)				
Development capital expenditures (excluding smart meters)				
Operations capital expenditures				
Smart Meters capital expenditures				
Other capital expenditures (please specify)				
Total capital expenditures (including smart meter meters)				
Total capital expenditures (excluding capital expenditures)				
Depreciation expense				
Construction Work in Progress				
Rate Base				
Number of Customer Additions (total)				
- Residential				
- General Service < 50 kW				
- General Service > 50 kW, Intermediate and Large Use				
Number of Customers (total, December 31)				
- Residential				
- General Service < 50 kW				
- General Service > 50 kW, Intermediate and Large Use				

Response:

	2006 Actual	2007 Actual	2008 Bridge	2009 Test
Allowed Return on Equity (%) on the regulated rate base	9.00%	9.00%	9.00%	8.57%
Actual Return on Equity (%) on the regulated rate base	2.0%	0.8%	1.8%	4.2%
Retained Earnings	$ 2,456,140	$ 2,554,397	$ 727,573	$ 991,575
Dividends paid to shareholders	$ -	$ -	$ 2,000,000	$ -
Sustaining capital expenditures (excluding smart meters)	$ 1,031,896	$ 302,661	$ 365,100	$ 655,600
Development capital expenditures (excluding smart meters)				
Operations capital expenditures				
Smart Meters capital expenditures	$ -	$ -	$ -	$ -
Other capital expenditures (please specify)	$ 310,211	$ 161,305	$ 147,500	$ 160,000
Total capital expenditures (including smart meter meters)	$ 1,342,107	$ 463,966	$ 512,600	$ 815,600
Total capital expenditures (excluding capital expenditures)	$ 1,342,107	$ 463,966	$ 512,600	$ 815,600
Depreciation expense	$ 488,770	$ 511,313	$ 547,210	$ 591,209
Construction Work in Progress	$ -	$ -	$ -	$ -
Rate Base	$ 8,899,155	$ 8,899,155	$ 8,899,155	$ 9,026,137
Number of Customer Additions (total)	73	79	15	199
- Residential	57	44	12	188
- General Service < 50 kW	15	32	2	14
- General Service > 50 kW, Intermediate and Large Use	1	3	1	(3)
Number of Customers (total, December 31)	6,158	6,237	6,252	6,451
- Residential	5,466	5,510	5,522	5,710
- General Service < 50 kW	639	671	673	687
- General Service > 50 kW, Intermediate and Large Use	53	56	57	54

Board Staff Interrogatory No. 21

Rate Base/Capital Expenditures

Question:

[Ref: Ex2/T3/S1]

Please answer the following questions with respect to pole replacement activities:

a) Please indicate the basis on which poles are identified for replacement.

Response:

The basis on which poles are identified for replacement are as follows:

i. Age of pole
ii. Condition of pole and electrical apparatus
iii. Expansion planned for area
iv. Road improvements planned for area
v. Damaged poles due to accident or weather

b) Please provide the number of poles replaced/expected to be replaced from 2006 to 2009 and the average cost. This includes all poles that are replaced/to be replaced including those under major capital projects.

Response:

Number of poles replaced/to be replaced between 2006 and 2009 are 94 poles at an average cost of $3,356 for each pole and related fixtures. This is for poles being replaced under major capital projects.

The cost of installing poles ranges from $1,024 to $14,300 depending on the size of the pole, what material the pole is made from, whether it includes both 4 kV and 44 kV conductor connections, switchgear, the number of attachments on the pole, whether it is in bedrock or soil, etc.

Board Staff Interrogatory No. 22

Rate Base/Capital Expenditures

Question:

[Ref: Ex2/T3/S3]

The pre-filed evidence of Wellington indicates proposed capital expenditures of $815,600 for the 2009 Test Year. This is a 60% increase over 2007 and 2008. Please provide reasons for the significant increase and the rationale for large capital expenditures during the test year.

Response:

The Applicant has made the assumption that you are referring to Ex2/3/S2.

The proposed capital expenditures of $815,600 show an increase of $303,000 over the 2008 Bridge year and $304,659 over 2007 Actual and the rationale for increase in capital expenditures during the test year of 2009 is as follows:

- Account 1830-Poles, Towers & Fixtures increased by $39,800 to $110,500. This is due to Jobs 09-001, reconstruction of power line on Belsyde Ave. from David St. to Scotland St, and 09-002, reconstruction of power line on Scotland Street from St. Andrew St. to Belsyde Ave.

  Job #09-001 – This job involves a reconstruction of a power line on a major street in Fergus. The job was broken down into sections in order to prevent a major capital outlay in one period. When determining where each section would start and end, the following factors were considered:

  1. The least interruption of service for the customer
  2. The least cost of constructing each section

  The sections completed in 2003, 2006, and 2007 were smaller than the section planned for 2009. The most logical and economical solution is to complete the balance of Belsyde Ave. at one time. After completion, the entire street will be completed from our boundary in the east to our boundary in the west of Fergus.

  Job #09-002 – Reconstruction of power line on Scotland St. as required in order to create a tie on our 44 kV system. This will improve our switching capabilities which will improve reliability to a number of large customers.

- Account 1835-Overhead Conductors & Devices increased by $54,000 to $136,300. This is also related to Jobs 09-001 and 09-002. The Applicant requires this amount for conductors and devices to be used on Jobs 09-001 & 09-002.

- Account 1850-Line Transformers increased by $159,000 to $306,000. This is primarily due to transformers being ordered to replace existing ones in use by the Applicant and because of the depletion of transformer stock ($183,700) and ($47,200) for transformers to be used in Jobs 09-001 and 09-002. The

transformers required for stock have been ordered with delivery in early 2009. Transformers for the Eastwood Subdivision ($75,000) will be ordered early in 2009 with delivery by the end of 2009, the Subdivision is scheduled to be energized in early 2010.

- Account 1855-Services increased by $36,700 to $59,600 because of Jobs 09-001 and 09-002. The partial reconstruction of Belsyde Ave. and Scotland St. also requires upgrades to existing services of customers that lie along the construction zone.

- Account 1920-Computer Equipment-Hardware increases by $16,000 to $29,000 because 2009 is when we are scheduled to replace the two main servers which are replaced every three years and a printer that was purchased in 1999 which is also due to be replaced.

- Account 1930-Transportation Equipment increases by $45,000 from $0.00 as a pickup truck is being purchased to replace the line foremen's current vehicle which was purchased in 2001. The vehicle equipment plan forecasts the replacement of pickups every 8 years. 2009 we will be replacing the current pickup with a smaller size pickup which will be more efficient in fuel.

The above mentioned items total $350,500. The Applicant each year reviews the capital projects to determine whether or not they are required. It has been the Applicant's policy not to replace equipment until it is determined whether or not it is deemed necessary. Because of the instability of the industry the Applicant has held off purchasing replacement transformers until it was no longer an option. The transformers are required in order to meet the ongoing needs of our customers.

Board Staff Interrogatory No. 23

Rate Base/Capital Expenditures

Question:

[Ref: Ex2/T3/S2/Pg1]

The Fixed Asset Continuity Statements (Exhibit 2/Tab 2/ Sch 1/ Page 4) show an amount of $775,600 representing additions for 2009 while the Summary of Asset Additions (Ex2/T3/Sc2) shows an amount of $815,600 for 2009. Please explain the difference and identify the amount representing proposed capital expenditures for 2009.

Response:

The Applicant would like to apologize for the inconsistency between the two tables. The Fixed Asset Continuity Statement (Ex2/T2/Sch 1 page 4) is incorrect in showing gross assets of $775,600 for 2009 and should have read $815,600. In 2009, the addition for Account 1850 – Line Transformers has been corrected to read purchase of $306,000 new transformers instead of $266,000 new transformers.

Exhibit 2, Tab 3, Schedule 2 – Summary of Asset Additions of $815,600 for 2009 is the correct proposed capital expenditures.

The error made in the presentation of Exhibit 2, Tab 2, Schedule 1, page 4 has no affect on the revenue requirements as it is a presentation problem only. A revision to this exhibit is provided below.

Fixed Assets

Revised Exhibit 2, Tab 2, Schedule 1

	2006 EDR	Variance to 2006 Actual			2,006	2007 Changes			2,007
	Approved	Additions	Ret./Other	Amortization	Balance	Additions	Ret./Other	Amortization	Balance
1805-Land									
Gross Assets	46,066	-	-	-	46,066	-	-	-	46,066
Accumulated Amortization	-	-	0	(0)	-	-	-	-	-
Net Book Value	46,066	-	0	(0)	46,066	-	-	-	46,066
1806-Land Rights									
Gross Assets	24,408	2,901	-	-	27,309	3,381	-	-	30,690
Accumulated Amortization	(1,712)	-	(747)	(531)	(2,991)	-	-	(571)	(3,562)
Net Book Value	22,695	2,901	(747)	(531)	24,318	3,381	-	(571)	27,128
1808-Buildings and Fixtures									
Gross Assets	2,308	-	-	-	2,308	-	-	-	2,308
Accumulated Amortization	(1,806)	-	(89)	(59)	(1,954)	-	-	(59)	(2,013)
Net Book Value	502	-	(89)	(59)	354	-	-	(59)	295
1820- Distribution Station Equipment - Normally Primary below 50 kV									
Gross Assets	1,218,443	51,741	-	-	1,270,184	-	-	-	1,270,184
Accumulated Amortization	(588,572)	-	(54,010)	(35,077)	(677,659)	-	-	(35,077)	(712,736)
Net Book Value	629,871	51,741	(54,010)	(35,077)	592,525	-	-	(35,077)	557,448
1825-Storage Battery Equipment									
Gross Assets	-	2,155	-	-	2,155	-	-	-	2,155
Accumulated Amortization	-	-	(216)	(431)	(647)	-	-	(431)	(1,078)
Net Book Value	-	2,155	(216)	(431)	1,508	-	-	(431)	1,077
1830-Poles, Towers and Fixtures									
Gross Assets	1,134,968	84,239	33,745	-	1,252,952	84,927	-	-	1,337,879
Accumulated Amortization	(502,127)	-	(69,048)	(47,344)	(618,518)	-	-	(49,286)	(667,805)
Net Book Value	632,841	84,239	(35,303)	(47,344)	634,433	84,927	-	(49,286)	670,074
1835-Overhead Conductors and Devices									
Gross Assets	824,453	124,301	36,085	-	984,839	64,645	-	-	1,049,484
Accumulated Amortization	(325,827)	-	(51,935)	(37,622)	(415,385)	-	-	(39,095)	(454,480)
Net Book Value	498,625	124,301	(15,850)	(37,622)	569,454	64,645	-	(39,095)	595,005
1840-Underground Conduit									
Gross Assets	943,703	196,217	28,233	-	1,168,153	18,755	-	-	1,186,908
Accumulated Amortization	(316,639)	-	(56,153)	(44,723)	(417,515)	-	-	(46,686)	(464,201)
Net Book Value	627,064	196,217	(27,920)	(44,723)	750,638	18,755	-	(46,686)	722,707
1845-Underground Conductors and Devices									
Gross Assets	1,362,702	187,897	14,908	-	1,565,507	9,759	-	-	1,575,266
Accumulated Amortization	(522,809)	-	(79,246)	(59,580)	(661,635)	-	-	(62,088)	(723,723)
Net Book Value	839,893	187,897	(64,338)	(59,580)	903,872	9,759	-	(62,088)	851,543
1850-Line Transformers									
Gross Assets	2,251,164	178,673	10,558	-	2,440,395	87,367	-	-	2,527,762
Accumulated Amortization	(1,022,086)	-	(116,923)	(84,368)	(1,223,376)	-	-	(88,707)	(1,312,083)
Net Book Value	1,229,078	178,673	(106,365)	(84,368)	1,217,019	87,367	-	(88,707)	1,215,679
1855-Services									
Gross Assets	2,753,397	178,669	26,154	-	2,958,220	27,157	0	-	2,985,377
Accumulated Amortization	(1,176,782)	-	(162,038)	(114,951)	(1,453,772)	-	-	(116,584)	(1,570,355)
Net Book Value	1,576,615	178,669	(135,885)	(114,951)	1,504,449	27,157	0	(116,584)	1,415,022
1860-Meters									
Gross Assets	775,202	25,102	(9,392)	-	790,911	6,670	0	-	797,581
Accumulated Amortization	(371,796)	-	(37,402)	(26,003)	(435,201)	-	-	(26,403)	(461,604)
Net Book Value	403,406	25,102	(46,794)	(26,003)	355,711	6,670	0	(26,403)	335,977

Fixed Assets

Revised Exhibit 2, Tab 2, Schedule 1 (Continued)

	2006 EDR	Variance to 2006 Actual			2,006	2007 Changes			2,007
	Approved	Additions	Ret./Other	Amortization	Balance	Additions	Ret./Other	Amortization	Balance
1905-Land									
Gross Assets	8,640	-	-	-	8,640	-	-	-	8,640
Accumulated Amortization	-	-	0	(0)	-	-	-	-	-
Net Book Value	8,640	-	0	(0)	8,640	-	-	-	8,640
Gross Assets	1,020,234	-	-	-	1,020,234	-	-	-	1,020,234
Accumulated Amortization	(135,886)	-	(32,729)	(21,819)	(190,434)	-	-	(21,819)	(212,253)
Net Book Value	884,348	-	(32,729)	(21,819)	829,800	-	-	(21,819)	807,981
1915-Office Furniture and Equipment									
Gross Assets	71,974	7,942	429	-	80,345	18,266	-	-	98,611
Accumulated Amortization	(40,060)	-	(9,717)	(6,342)	(56,119)	-	-	(6,913)	(63,032)
Net Book Value	31,914	7,942	(9,288)	(6,342)	24,226	18,266	-	(6,913)	35,579
1920-Computer Equipment - Hardware									
Gross Assets	177,898	25,446	(43,500)	-	159,845	25,740	-	-	185,585
Accumulated Amortization	(150,928)	-	22,864	(10,694)	(138,758)	-	-	(14,317)	(153,075)
Net Book Value	26,970	25,446	(20,636)	(10,694)	21,087	25,740	-	(14,317)	32,510
1925-Computer Software									
Gross Assets	67,860	6,202	1,750	-	75,811	52,270	-	-	128,082
Accumulated Amortization	(61,380)	-	(6,480)	(4,268)	(72,128)	-	-	(11,361)	(83,489)
Net Book Value	6,480	6,202	(4,730)	(4,268)	3,684	52,270	-	(11,361)	44,593
1930-Transportation Equipment									
Gross Assets	639,078	214,541	116,362	-	969,980	60,580	(190,289)	-	840,271
Accumulated Amortization	(487,252)	-	12,857	(59,504)	(533,899)	-	190,289	(77,233)	(420,843)
Net Book Value	151,826	214,541	129,219	(59,504)	436,081	60,580	(0)	(77,233)	419,428
1935-Stores Equipment									
Gross Assets	19,724	-	211	-	19,934	-	-	-	19,934
Accumulated Amortization	(13,431)	-	(2,976)	(1,391)	(17,798)	-	-	(856)	(18,653)
Net Book Value	6,293	-	(2,765)	(1,391)	2,137	-	-	(856)	1,281
1940-Tools, Shop and Garage Equipment									
Gross Assets	41,904	26,500	1,140	-	69,543	3,952	-	-	73,496
Accumulated Amortization	(28,182)	-	(4,985)	(4,782)	(37,949)	-	-	(4,619)	(42,568)
Net Book Value	13,722	26,500	(3,845)	(4,782)	31,595	3,952	-	(4,619)	30,928
1945-Measurement and Testing Equipment									
Gross Assets	41,282	863	(0)	-	42,145	-	-	-	42,145
Accumulated Amortization	(20,381)	-	(4,574)	(3,094)	(28,049)	-	-	(3,136)	(31,185)
Net Book Value	20,902	863	(4,574)	(3,094)	14,096	-	-	(3,136)	10,961
1950-Power Operated Equipment									
Gross Assets	84,511	14,484	-	-	98,995	-	-	-	98,995
Accumulated Amortization	(58,833)	-	(10,537)	(8,230)	(77,600)	-	-	(8,230)	(85,830)
Net Book Value	25,679	14,484	(10,537)	(8,230)	21,396	-	-	(8,230)	13,166
1955-Communication Equipment									
Gross Assets	23,854	6,480	474	-	30,808	497	(0)	-	31,305
Accumulated Amortization	(10,092)	-	(3,810)	(2,986)	(16,889)	-	-	(3,011)	(19,900)
Net Book Value	13,762	6,480	(3,336)	(2,986)	13,919	497	(0)	(3,011)	11,405
1960-Miscellaneous Equipment									
Gross Assets	1,709	7,753	-	-	9,462	-	-	-	9,462
Accumulated Amortization	(685)	-	(657)	(1,079)	(2,422)	-	-	(1,771)	(4,193)
Net Book Value	1,024	7,753	(657)	(1,079)	7,041	-	-	(1,771)	5,270
1980-System Supervisory Equipment									
Gross Assets	169,149	-	1,721	-	170,870	-	-	-	170,870
Accumulated Amortization	(45,303)	-	(27,070)	(18,125)	(90,498)	-	-	(18,125)	(108,623)
Net Book Value	123,846	-	(25,349)	(18,125)	80,372	-	-	(18,125)	62,247
1985-Sentinel Lighting Rental Units									
Gross Assets	2,516	-	-	-	2,516	-	-	-	2,516
Accumulated Amortization	(2,516)	-	-	-	(2,516)	-	-	-	(2,516)
Net Book Value	-	-	-	-	-	-	-	-	-
1995-Contributions and Grants - Credit									
Gross Assets	(728,217)	181,884	(97,365)	-	(1,007,466)	46,975	(0)	-	(960,491)
Accumulated Amortization	-	-	(43,338)	43,338	-	-	(46,975)	46,975	0
Net Book Value	(728,217)	181,844	(140,703)	43,338	(1,007,466)	46,975	(46,975)	46,975	(960,491)
TOTAL									
Gross Assets	**12,978,928**	**1,160,222**	**121,511**	**-**	**14,260,661**	**510,941**	**(190,289)**	**-**	**14,581,313**
Accumulated Amortization	**(5,885,084)**	**-**	**(738,958)**	**(549,665)**	**(7,173,707)**	**-**	**143,313**	**(589,402)**	**(7,619,796)**
Net Book Value	**7,093,843**	**1,160,222**	**(617,447)**	**(549,665)**	**7,086,954**	**510,941**	**(46,976)**	**(589,402)**	**6,961,518**

Fixed Assets

Revised Exhibit 2, Tab 2, Schedule 1 (Continued)

	2008 Changes			2,008	2009 Changes			2,009
	Additions	Ret./Other	Amortization	Balance	Additions	Ret./Other	Amortization	Balance
1805-Land								
Gross Assets	-	-	-	46,066	-	-	-	46,066
Accumulated Amortization	-	-	-	-	-	-	-	-
Net Book Value	-	-	-	46,066	-	-	-	46,066
1806-Land Rights								
Gross Assets	4,000	-	-	34,690	4,000	-	-	38,690
Accumulated Amortization	-	-	(654)	(4,216)	-	-	(734)	(4,950)
Net Book Value	4,000	-	(654)	30,474	4,000	-	(734)	33,740
1808-Buildings and Fixtures								
Gross Assets	-	-	-	2,308	-	-	-	2,308
Accumulated Amortization	-	-	(59)	(2,072)	-	-	(59)	(2,131)
Net Book Value	-	-	(59)	236	-	-	(59)	177
1820- Distribution Station Equipment - Normally Primary below 50 kV								
Gross Assets	-	-	-	1,270,184	-	-	-	1,270,184
Accumulated Amortization	-	-	(35,077)	(747,813)	-	-	(35,077)	(782,890)
Net Book Value	-	-	(35,077)	522,371	-	-	(35,077)	487,294
1825-Storage Battery Equipment								
Gross Assets	-	-	-	2,155	-	-	-	2,155
Accumulated Amortization	-	-	(431)	(1,509)	-	-	(431)	(1,940)
Net Book Value	-	-	(431)	646	-	-	(431)	215
1830-Poles, Towers and Fixtures								
Gross Assets	70,700	-	-	1,408,579	110,500	-	-	1,519,079
Accumulated Amortization	-	-	(50,690)	(718,495)	-	-	(53,768)	(772,263)
Net Book Value	70,700	-	(50,690)	690,084	110,500	-	(53,768)	746,816
1835-Overhead Conductors and Devices								
Gross Assets	82,300	-	-	1,131,784	136,300	-	-	1,268,084
Accumulated Amortization	-	-	(40,964)	(495,444)	-	-	(44,993)	(540,437)
Net Book Value	82,300	-	(40,964)	636,341	136,300	-	(44,993)	727,648
1840-Underground Conduit								
Gross Assets	6,700	-	-	1,193,608	5,000	-	-	1,198,608
Accumulated Amortization	-	-	(47,192)	(511,393)	-	-	(47,325)	(558,718)
Net Book Value	6,700	-	(47,192)	682,214	5,000	-	(47,325)	639,890
1845-Underground Conductors and Devices								
Gross Assets	16,500	-	-	1,591,766	19,200	-	-	1,610,966
Accumulated Amortization	-	-	(62,609)	(786,332)	-	-	(63,145)	(849,477)
Net Book Value	16,500	-	(62,609)	805,434	19,200	-	(63,145)	761,489
1850-Line Transformers								
Gross Assets	147,000	-	-	2,674,762	306,000	-	-	2,980,762
Accumulated Amortization	-	-	(93,385)	(1,405,468)	-	-	(102,431)	(1,507,899)
Net Book Value	147,000	-	(93,385)	1,269,295	306,000	-	(102,431)	1,472,864
1855-Services								
Gross Assets	22,900	-	-	3,008,277	59,600	-	-	3,067,877
Accumulated Amortization	-	-	(117,044)	(1,687,399)	-	-	(118,163)	(1,805,562)
Net Book Value	22,900	-	(117,044)	1,320,878	59,600	-	(118,163)	1,262,315
1860-Meters								
Gross Assets	15,000	-	-	812,581	15,000	-	-	827,581
Accumulated Amortization	-	-	(26,839)	(488,443)	-	-	(27,439)	(515,883)
Net Book Value	15,000	-	(26,839)	324,138	15,000	-	(27,439)	311,698

Fixed Assets

Revised Exhibit 2, Tab 2, Schedule 1 (Continued)

	2008 Changes			2,008	2009 Changes			2,009
	Additions	Ret./Other	Amortization	Balance	Additions	Ret./Other	Amortization	Balance
1905-Land								
Gross Assets	-	-	-	8,640	-	-	-	8,640
Accumulated Amortization	-	-	-	-	-	-	-	-
Net Book Value	-	-	-	8,640	-	-	-	8,640
Gross Assets	-	-	-	1,020,234	-	-	-	1,020,234
Accumulated Amortization	-	-	(21,819)	(234,072)	-	-	(21,819)	(255,891)
Net Book Value	-	-	(21,819)	786,162	-	-	(21,819)	764,343
1915-Office Furniture and Equipment								
Gross Assets	20,000	(20,559)	-	98,052	-	-	-	98,052
Accumulated Amortization	-	20,559	(8,264)	(50,737)	-	-	(6,538)	(57,275)
Net Book Value	20,000	-	(8,264)	47,316	-	-	(6,538)	40,778
1920-Computer Equipment - Hardware								
Gross Assets	13,000	(55,284)	-	143,301	29,000	-	-	172,301
Accumulated Amortization	-	55,284	(18,399)	(116,190)	-	-	(21,154)	(137,344)
Net Book Value	13,000	-	(18,399)	27,111	29,000	-	(21,154)	34,957
1925-Computer Software								
Gross Assets	96,000	-	-	224,082	82,000	-	-	306,082
Accumulated Amortization	-	-	(34,458)	(117,947)	-	-	(63,091)	(181,037)
Net Book Value	96,000	-	(34,458)	106,135	82,000	-	(63,091)	125,044
1930-Transportation Equipment								
Gross Assets	-	-	-	840,271	45,000	-	-	885,271
Accumulated Amortization	-	-	(76,748)	(497,591)	-	-	(81,248)	(578,839)
Net Book Value	-	-	(76,748)	342,680	45,000	-	(81,248)	306,432
1935-Stores Equipment								
Gross Assets	1,000	-	-	20,934	1,000	-	-	21,934
Accumulated Amortization	-	-	(345)	(18,998)	-	-	(445)	(19,443)
Net Book Value	1,000	-	(345)	1,936	1,000	-	(445)	2,491
1940-Tools, Shop and Garage Equipment								
Gross Assets	14,000	(17,955)	-	69,541	2,000	-	-	71,541
Accumulated Amortization	-	17,955	(5,186)	(29,799)	-	-	(5,986)	(35,784)
Net Book Value	14,000	-	(5,186)	39,742	2,000	-	(5,986)	35,757
1945-Measurement and Testing Equipment								
Gross Assets	1,000	-	-	43,145	1,000	-	-	44,145
Accumulated Amortization	-	-	(2,999)	(34,184)	-	-	(2,798)	(36,982)
Net Book Value	1,000	-	(2,999)	8,961	1,000	-	(2,798)	7,163
1950-Power Operated Equipment								
Gross Assets	-	(10,720)	-	88,275	-	-	-	88,275
Accumulated Amortization	-	10,720	(5,019)	(80,128)	-	-	(1,810)	(81,938)
Net Book Value	-	-	(5,019)	8,147	-	-	(1,810)	6,337
1955-Communication Equipment								
Gross Assets	-	-	-	31,305	-	-	-	31,305
Accumulated Amortization	-	-	(3,036)	(22,936)	-	-	(2,151)	(25,087)
Net Book Value	-	-	(3,036)	8,369	-	-	(2,151)	6,218
1960-Miscellaneous Equipment								
Gross Assets	2,500	-	-	11,962	-	-	-	11,962
Accumulated Amortization	-	-	(1,936)	(6,129)	-	-	(1,601)	(7,730)
Net Book Value	2,500	-	(1,936)	5,834	-	-	(1,601)	4,233
1980-System Supervisory Equipment								
Gross Assets	-	-	-	170,870	-	-	-	170,870
Accumulated Amortization	-	-	(18,125)	(126,747)	-	-	(17,672)	(144,419)
Net Book Value	-	-	(18,125)	44,122	-	-	(17,672)	26,451
1985-Sentinel Lighting Rental Units								
Gross Assets	-	-	-	2,516	-	-	-	2,516
Accumulated Amortization	-	-	-	(2,516)	-	-	-	(2,516)
Net Book Value	-	-	-	-	-	-	-	-
1995-Contributions and Grants - Credit								
Gross Assets	-	-	-	(960,491)	-	-	-	(960,491)
Accumulated Amortization	-	-	-	0	-	-	-	0
Net Book Value	-	-	-	(960,491)	-	-	-	(960,491)
TOTAL								
Gross Assets	**512,600**	**(104,518)**	**-**	**14,989,396**	**815,600**	**-**	**-**	**15,804,996**
Accumulated Amortization	**-**	**104,518**	**(671,278)**	**(8,186,556)**	**-**	**-**	**(719,877)**	**(8,906,434)**
Net Book Value	**512,600**	**-**	**(671,278)**	**6,802,840**	**815,600**	**-**	**(719,877)**	**6,898,562**

Board Staff Interrogatory No. 24

Rate Base/Capital Expenditures

Question:

[Ref: Ex2/T2/S5/Pg2]

Two amounts representing amortization expense for 2006 are shown on Ex2/T2/Sc5/Pg.2; an amount of $593,002 in the first section of the page and an amount of $473,724 in the latter section of the same page. At the same time, Statement of Earnings and Retained Earnings in the financial statements show an amortization expense of $488,770 for 2006. Please explain the variances in the three amounts and identify the amount representing amortization expense for 2006.

Response:

The total accumulated depreciation for 2006 is $593,002 before the adjustment of $43,337 calculated on contributed capital; giving you a net accumulated amortization of $549,665 for 2006. (See revised Fixed Asset Continuity Statement shown in Board Staff IR #23)

Amortization Expense shown on the audited financial statements (Account 5705 - $488,770) is different from Accumulated Amortization (Account 2105 - $549,665) for 2006 because the amortization expense for vehicles (1930 - $59,504) and stores (1935 - $1,391) are included in the overhead costs and are expensed out against capital, operation and maintenance jobs on a pro-rated basis which is consistent with previous years practice.

I have not been able to determine where the amount of $473,724 is derived from, but must assume that it was carried forward from a previous model and not revised when the other figures were changed.

Board Staff Interrogatory No. 25

Rate Base/Capital Expenditures

Question:

[Ref: Ex2/T3/S2/Pg1]

Wellington expects to spend $306,000 to install new line transformers in 2009. This amount is 108% higher than 2008 and 137% higher than 2006. Please explain the reasons for this increase.

Response:

Please refer to the response provided in the OEB Board Staff Question No. 22 as explained under “Account 1850-Line Transformers” and in OEB Board Staff Question No. 26.

Board Staff Interrogatory No. 26

Rate Base/Capital Expenditures

Question:

[Ref: Ex2/T3/S1/Pg19]

Job#09-004 refers to installation of 5 Padmount Underground Transformers. Please answer the following questions with respect to this capital expenditure:

a) The evidence indicates that the lead time for transformers in 2006 and 2007 was up to 48 weeks. When were the five transformers that are scheduled to be replaced as part of Job #09-004 ordered?
b) Can the installation of the five underground transformers be staggered so as to install some of the transformers in subsequent years?
c) Please provide the rationale for installing underground transformers as opposed to Padmount transformers.
d) Please provide a breakdown of the costs of the five transformers included in job #09-004.

Response:

a) In clarification to the question above, there are in fact 25 padmount transformers being ordered instead of 5 as stated in the above question. They were ordered or will be ordered as follows:

   4 – 75 kVa Padmount underground transformers at a total approximate cost of $45,000 or $11,250 each were ordered on June 16, 2008.

   2 – 112.5 kVa Padmount underground transformers at a total approximate cost of $26,100 or $13,050 each were ordered on June 12, 2008.

   2 – 150 kVa Padmount underground transformers at a total approximate cost of $24,500 or $12,250 each. One was ordered on June 12, 2008 the other one on June 16, 2008.

   2 - 300 kVa Padmount underground transformers at a total approximate cost of $37,000 or $18,500 each were ordered on June 12, 2008.

   15 – 50 kVa Padmount underground transformers at a total approximate cost of $40,000 or $2,667 each will be ordered in 2009.

b) The only transformers that can be staggered are the 15 – 50 kVa padmounts as they are not ordered. They will be ordered as required when the new housing development receives final approval or if otherwise required.

c) Underground transformers and padmount transformers are the same thing. There are only two types of transformers used by the Applicant. They are (1) polemount and (2) padmount transformers. Our municipality is calling for

underground electrical systems in new subdivisions or capital upgrades; therefore the Applicant must purchase padmount transformers.

d) Please refer to the answer in part “a” of this question for the breakdown of costs of the “25” transformers included in job #09-004.

OEB Staff Interrogatory No. 27

Rate Base – Capital Expenditures

Question:

[Ref: Ex1/T3/S4/Pg2]

In the Cost of Power worksheet volumes shown for the Residential class, General Service less than 50 kW and Unmetered Scattered Load for 2009 do not reconcile with the numbers used in the load forecast (Exh3/Tab2/Sc3). Please explain the variance.

Response:

The 2009 Volumes in E1/T3/S4/Pg2 have been uplifted by the current Loss Factor for calculating the cost of power. The kWhs prior to uplift are provided in E3/T2/S3. A table is provided below to reconcile the 2 schedules.

	Exhibit 3 Tab 2 Schedule 3	Loss Factor	Exhibit 1 Tab 3 Schedule 4
Residential	45,046,630	1.0472	47,172,831
General Service Less Than 50 kW	21,809,071	1.0472	22,838,459
General Service 50 to 2,999 kW	64,439,774	1.0472	67,481,331
General Service 3,000 to 4,999 kW	20,979,417	1.0472	21,969,645
Unmetered Scattered Load	400,443	1.0472	419,344
Sentinel Lighting	43,755	1.0472	45,820
Street Lighting	1,112,732	1.0472	1,165,253
	153,831,822		161,092,684

Board Staff Interrogatory No. 28

Rate Base/Capital Expenditures

Question:

[Ref: Ex2/T1]

Wellington has not filed an Asset Management Plan in support of its planned capital expenditures. Please provide an Asset Management Plan or other documentation that describes how Wellington's proposed and completed capital expenditures fulfil the Wellington's objectives of providing long-term reliability, meeting growth demands and meeting or exceeding reliability indicators.

Response:

Capital Planning Process and Determining Condition of Assets:

Centre Wellington Hydro does not have a formalized Asset Management Plan but applies a systematic and comprehensive planning process based on the condition, age, good utility practices, safety factors, line loss conditions, growth and development pressures of the existing electrical plant and equipment.

From knowledge of all the functions of an existing distribution system, Centre Wellington Hydro considers the load and voltage requirements and determines the best course of action to obtain desired results.

The initial process can be expanded as follows:

Planning	Design	Construction	Operation
load growth	standards	equipment	reliability
existing systems	ratings	material	safety
adjacent systems	reliability	maintenance	versatility
	safety	reliability	
		safety	

When planning a distribution expansion or addition, thought is given to the following areas:

1. Adjacent systems and their future.
2. Future plans for under-grounding circuits.
3. Operating practices, present and future.
4. New ideas and concepts.
5. Higher or lower reliability.

Centre Wellington Hydro has been recording all system improvements and capital projects in our mapping system, such as pole type, height, class, date of installation, etc. We also record transformer make, size, voltage and date of installation as well

as conductor size and switch type. This information will be used in the future for development of an asset management plan.

Board Staff Interrogatory No. 29

Income Tax

Question:

[Ref: Ex4/T3/S2]

Please answer the following questions with respect to income tax calculations:

a) The table showing the detailed tax calculations for PILs does not include 2007 information. Please provide a revised table for the years 2006 through to 2009, including the 2007 information.

Response:

The revised PIL's tax table showing the years 2006 through to 2009 is shown below and is based on the information in the original submission of August 15, 2008.

	T2 S1 line #	2006 EDR Approved			2006 Actual	2007 Actual	2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non-Distribution Portion	Utility Only					
Income/(Loss) before PILs/Taxes (Accounting) [1]		444,876		444,876	152,263	60,890	**127,836**	44,784	327,473
Additions:									
Interest and penalties on taxes	103			0	69	106			0
Amortization of tangible assets	104	578,501		578,501	549,664	589,401	594,185	638,185	638,185
Loss on disposal of assets	111			0			108		0
Charitable donations	112			0	81,225	5,220	10,000	0	10,000
Non-deductible meals and entertainment expense	121			0	3,430	3,570	3,570	3,570	3,570
Reserves from financial statements- balance at end of year	126			0	239,654	1,137,013	1,256,220	1,053,329	1,053,329
Provision for Income Taxes-Current	101				246,816	451,827			
Actual Debt Interest				0			365,890	365,890	
Pre-market opening energy variance	199			0	571,511				0
Total Additions		**578,501**	**0**	**578,501**	**1,692,369**	**2,187,137**	**2,229,973**	**2,060,974**	**1,705,084**
Deductions:									
Gain on disposal of assets per financial statements	401	35,669		35,669		38,386	4,372	0	0
Dividends not taxable under section 83	402			0					0
Capital cost allowance from Schedule 8	403	611,848		611,848	710,022	753,260	728,573	715,097	715,097
Reserves from financial statements - balance at beginning of year	414			0	541,226	239,654	1,137,013	1,256,220	1,256,220
Deemed Debt Interest				0			344,101	352,472	
Adjustment for:				0					0
Non-Utility Revenues - 4375				0			260,000	251,000	251,000
Non-Utility Expenses - 4380				0			(238,600)	(226,800)	(226,800)
Total Deductions		**647,517**	**0**	**647,517**	**1,251,248**	**1,031,300**	**2,235,458**	**2,347,989**	**1,995,517**
NET INCOME (LOSS) FOR TAX PURPOSES		**375,860**	**0**	**375,860**	**593,384**	**1,216,727**	**122,351**	**(242,231)**	**37,040**
Charitable donations from Schedule 2		0		0		5,220	10,000	0	10,000
TAXABLE INCOME (LOSS)		**375,860**	**0**	**375,860**	**593,384**	**1,211,507**	**112,351**	**(242,231)**	**27,040**

[1] 2008 Projection = "Earnings before Tax' (sheet E1); 2009 @ existing rates = "Earnings before Tax' (sheet E2); 2009 @ new dist. rates = "Deemed Return On Equity' (sheet E3)

b) Please provide a table that describes the reserves, and explains all of the causes of the difference between the reserves added back and deducted in each year 2007, 2008 and 2009.

Response:

The table below is set out to describe the reserves and explains the causes of the differences between the reserves added back and deducted in each year from 2007 to 2009.

Reserves based on Figures Submitted on August 15, 2009 with 2009 Rate Application

	December 31,2007 Actual
Deferral Account and Variance Account Balances	(1,114,557)
Account 1590 -Recovery Of Regulatory Accounts Balance	62,396
Account 2306-Employee Future Benefits	(84,853)
Reserves from financial statements at the end of the year	(1,137,014)

	2008 Bridge Year Estimates
Deferral Account and Variance Account Balances	(1,166,265)
Account 1590 -Recovery Of Regulatory Accounts Balance	(5,103)
Account 2306-Employee Future Benefits	(84,853)
Reserves from financial statements at the end of the year	(1,256,221)

	2009 Test Year Estimates
Deferral Account and Variance Account Balances	(1,217,973)
Account 1590 -Recovery Of Regulatory Accounts Balance	(5,314)
Account 2306-Employee Future Benefits	(84,853)
Reserves from financial statements at the end of the year	(1,308,140)
Less: Reduction in reserves based on a Rate Rider for 3 years	254,810
Reserves from financial statements at the end of the year 2009	(1,053,330)

Board Staff Interrogatory No. 30

Cost of Debt

[Ref: Ex6/T1/S1]

Question:

Wellington has requested a return on Long-term Debt for the 2009 Test Year of 7.25% which is the rate being currently paid on an existing long-term loan of $5.05 million due to the Township of Centre Wellington. Please answer the following questions with respect to the Company's long-term debt:

a) Please provide a copy of the original Promissory Note and any revisions or amendments made to this Note.

Response:

a) A copy of the Promissory Note ("the Note") between Centre Wellington Hydro Ltd. and the Corporation of the Township of Centre Wellington ("the Township") is attached. The Note has not been revised or amended since it was issued on November 1, 2000 as long-term debt at a rate approved by the Ontario Energy Board. The Note continues to be required to finance the long-life distribution assets of the utility on favourable terms. There is no intention on the part of either party to change the current arrangements since they were put in place to provide long-term financial certainty on flexible terms that will benefit Centre Wellington Hydro and its ratepayers.

b) Wellington's financial statements of December 31, 2007, indicate that the debt instrument is a demand note payable to the Corporation of the Township of Centre Wellington. Is Centre Wellington Hydro permitted to repay the outstanding amount to the Township of Centre Wellington by providing notice according to the terms of the Note? If so please explain any terms, payments or penalties associated with such a repayment.

Response:

b) Centre Wellington's financial statements of December 31, 2007, include a note payable of $5,046,753 under the long-term liabilities section of the Balance Sheet. The auditor's notes to the financial statements describe the Note as a "Demand promissory note payable to the Corporation of The Township of Centre Wellington, bearing interest at 7.25%". Similar entries appear in the financial statements of December 31, 2006 and in the previous financial statements since the Note was issued.

The Note states that Centre Wellington Hydro can repay all or part of the principal without notice or bonus if it is not in default on its interest payments, but despite the

inclusion of this term and a similar capability for the Township there was and is no intention on the part of either party to change the rate or the long-term nature of the Note. Since the parties to the Note were directly related and did not expect to dispute the terms or question the intention of the Note, there did not appear to be a need to include the long-term commitments as normally would be the case in a financial instrument between unrelated parties. The mutual expectation of Centre Wellington and the Township was that the Note would remain in place to finance the assets of the utility at a long-term market rate approved by the Ontario Energy Board.

Centre Wellington Hydro has not sought shareholder approval to change the financing arrangements because the Note provides financial stability and favourable terms that would not be available from a third party lender. There are no restrictive covenants associated with the Note related to operations, capital spending or financing. The Note does not require Centre Wellington to pay back the principal or expose the utility to a refinancing risk as the Township has confirmed its intention to continue to provide long-term financing with the same favourable financing terms. In addition, if a deferral of the interest payments is needed to manage the utility's cash flow requirements, the Township would be much more accommodating than a third party lender. During the credit crisis in the financial markets, the value from this financial flexibility and the long-term nature of the Note will be enhanced considerably.

WHEREAS Centre Wellington Hydro Ltd. ("Hydro") was incorporated on August 22nd, 2000 as required by the *Electricity Act, 1998* and has acquired assets relating to the distribution of and supply of electrical supply (the "Assets") from the Hydro-Electric Commission of The Corporation of the Township of Centre Wellington on November 1st, 2000;

AND WHEREAS the purchase price was based on the book value of the Assets, namely $10,081,818.00 and in consideration therefore Hydro assumed certain liabilities, issued 1000 common shares of Hydro to The Corporation of The Township of Centre Wellington, having a value of $5,035,066.00, and agreed to provide a Promissory Note to The Corporation of The Township of Centre Wellington for the balance of the purchase price of the Assets in an amount of $5,046,752.00.

PROMISSORY NOTE

The undersigned promises to pay to THE CORPORATION OF THE TOWNSHIP OF CENTRE WELLINGTON, or order, at 1 MacDonald Square, Elora, Ontario, the sum of Five Million, Forty-Six Thousand, Seven Hundred and Fifty Two ($5,046,752.00) Dollars one (1) year after written demand by the holder, together with interest thereon at a rate of seven and one-quarter per cent (7.25%) per annum from November 1st, 2000, to be paid quarterly on the last days of March, June, September and December in each year, commencing December 31st, 2000.

Default of payment of interest, or any part thereof, shall, at the option of the holder hereof exercisable at any time and without notice or demand, render the entire unpaid balance of said principal and interest accrued thereon at once due and payable.

The undersigned when not in default shall have the right to pay the whole or any part of the principal sum owing from time to time without notice or bonus.

The undersigned acknowledges receipt of a copy of this Promissory Note.

DATED at the Township of Centre Wellington this 1st day of November, 2000

FOR VALUE RECEIVED

CENTRE WELLINGTON HYDRO LTD.
Per:

Douglas Sherwood - President

Florence Thiessen – Vice-President – Treasurer

We have authority to bind the Corporation

COPY

Board Staff Interrogatory No. 31

Customer Connections

[Ref: Ex3/T2/S9]
Preamble: At Ex 3/T2/S9/page 13, Wellington states "Table 9 below outlines the average annual number of active customer connections in each class and a trend forecast for annual customers based on the average customer additions from 2003 and 2007". The average growth rates used to forecast the test year customer count for the Residential and GS<50 rate classes are indicated in Table 9 to be 1.9% and 1.9% respectively.

Question:

Please explain why the historical customer data provided in Table 1 (Ex 3/T2/S2/page 1) is different from the data provided in Table 9. Please explain which data has been used to develop the 2009 test year forecast and why.

Response:

The Applicant inadvertently put the wrong Table in Exhibit 3 Tab 2 Schedule 1 Page 1 of 2. The corrected table below shows the average annual number of active customer connections in each class for 2002 – 2007. For 2008 – 2009, forecasts are based on the average customer additions from 2003 to 2007. The customer numbers included in the table are identical to Table 9.

Customers by Class - Table 1 (Revised)

	2002	2003	2004	2005	2006	2007	2008 Bridge	2009 Test
Residential	4,879	5,087	5,236	5,364	5,435	5,494	5,601	5,710
% Change		4.3%	2.9%	2.4%	1.3%	1.1%	1.9%	1.9%
General Service Less Than 50 kW	623	615	615	621	629	662	674	687
% Change		-1.3%	0.0%	1.0%	1.3%	5.2%	1.9%	1.9%
General Service 50 to 2,999 kW	50	53	52	52	52	53	53	53
% Change		6.0%	-1.9%	0.0%	0.0%	1.9%	0.0%	0.0%
General Service 3,000 to 4,999 kW	4	3	2	2	1	1	1	1
% Change		-25.0%	-33.3%	0.0%	-50.0%	0.0%	0.0%	0.0%
Unmetered Scattered Load	2	2	2	2	2	2	2	2
% Change		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sentinel Lighting	32	32	32	34	35	35	35	35
% Change		0.0%	0.0%	6.3%	2.9%	0.0%	0.0%	0.0%
Street Lighting	1,585	1,602	1,631	1,658	1,658	1,658	1,658	1,658
% Change		1.1%	1.8%	1.7%	0.0%	0.0%	0.0%	0.0%

The data that has been used to develop the 2009 Test Year Forecast is the same as the data in Exhibit 3, Tab 2, Schedule 9, page 13.

Board Staff Interrogatory No. 32

Customer Connections

[Ref: Ex3/T2/S9]

Preamble: At Ex 3/T2/S9/page 13, Wellington states “Table 9 below outlines the average annual number of active customer connections in each class and a trend forecast for annual customers based on the average customer additions from 2003 and 2007”. The average growth rates used to forecast the test year customer count for the Residential and GS<50 rate classes are indicated in Table 9 to be 1.9% and 1.9% respectively.

Question:

Board staff has reviewed the calculations provided in Table 9 and estimates the average 2003 -2007 growth rates to be 2.4% for the Residential class (as opposed to 1.9%) and 1.2% for the GS<50 class (as opposed to 1.9%). Please reconcile the above differences? If no change is proposed to the customer count forecast then please explain how the proposed growth rates (1.9% for Residential and 1.9% for GS<50) were developed.

Response:

Centre Wellington believes that Board Staff may be using a different time period to develop its estimates and if that is the case their results would not be comparable to the growth rates submitted in Table 9. Based on data for 2003 to 2007, the correct growth rates, calculated as a simple average of the annual percentage change, should be 1.9% for both customer classes.

Annual Customer Connections – Centre Wellington Hydro

	Residential		GS<50	
2003	5,087		615	
2004	5,236	2.9%	615	0.0%
2005	5,364	2.4%	621	0.9%
2006	5,435	1.3%	629	1.3%
2007	5,494	1.1%	662	5.2%
2003-2007		1.9%		1.9%

Board Staff Interrogatory No. 33

Customer Connections

[Ref: Ex3/T2/S9]

Preamble: At Ex 3/T2/S9/page 13, Wellington states “Table 9 below outlines the average annual number of active customer connections in each class and a trend forecast for annual customers based on the average customer additions from 2003 and 2007”. The average growth rates used to forecast the test year customer count for the Residential and GS<50 rate classes are indicated in Table 9 to be 1.9% and 1.9% respectively.

Question:

Please explain if Wellington’s test year customer forecast for the Residential and GS<50 classes are supported by one or more external forecasts (such as Housing Outlook reports from CMHC or the national Banks)? Please provide the references for the reports/forecasts used and explain how these forecasts support Wellington’s projections for customer additions in the test year. If the external reports/forecasts do not support Wellington’s proposed customer growth forecast, then please explain the reasons for any variances.

Response:

We are unaware of any external forecasts, such as Housing Outlook reports from CMHC or the national banks, available for Centre Wellington.

Board Staff Interrogatory No. 34

Customer Connections

[Ref: Ex3/T2/S9]

Preamble: At Ex 3/T2/S9/page 13, Wellington states “Table 9 below outlines the average annual number of active customer connections in each class and a trend forecast for annual customers based on the average customer additions from 2003 and 2007”. The average growth rates used to forecast the test year customer count for the Residential and GS<50 rate classes are indicated in Table 9 to be 1.9% and 1.9% respectively.

Question:

Based on the response to the questions above, if the proposed customer count forecast is revised, then please also update the load and revenue forecasts to reflect the change in the customer forecast.

Response:

No revisions are required.

Board Staff Interrogatory No. 36

Weather Forecast

[Ref: Ex3/T2/S9/Pg6]

Preamble: Wellington is seeking Board approval for a test year weather normal of 3,631 HDD and 390 CDD, based on a 10-year simple average of weather data recorded at Toronto Pearson Airport. At Ex 3/T2/S9/page 8, Wellington states "Our view is that a ten-year average based on the most recent ten calendar years available is a reasonable compromise that likely reflects the "average" weather experienced in recent years".

Question:

Similar to the method used to develop the test year 2009 weather normal, please provide the following "back-casting" scenarios:

a. Assuming Wellington is preparing a 2006 test year forecast, please develop a weather normal using 10-years of historical weather data from 1995-2004 and compare this forecast to actual observed weather in 2006.

Please calculate the variance and percent variance from actual observed weather.

b. Assuming Wellington is preparing a 2007 test year forecast, please develop a weather normal using 10-years of historical data from 1996-2005 and compare this forecast to actual observed weather in 2007. Please calculate the variance and percent variance from actual observed weather.

c. Assuming Wellington is preparing a 2008 test year forecast, please develop a weather normal using 10-years of historical data from 1997-2006 and compare this forecast to actual year-to-date observed weather in 2008. Please calculate the variance and percent variance from actual observed weather.

Response:

Below, please find tables which outline the three different 10 year weather normal scenarios for Pearson Airport asked for by Board Staff (1995-2004, 1996-2005, and 1997-2006) and comparing these to actual degree days in 2006, 2007, and 2008 year-to-date, respectively, as requested by Board Staff. We have presented data and comparison on a monthly and annual basis as there are significant variations from month-to-month. For example, as can be seen below, HDD in 2007 are almost exactly equivalent to the 10 year normal defined as 1996-2005 (10 year average of 3,742 vs. 2007 annual of 3,719, a difference of less than 1%). However, several months in 2007 were much warmer than normal. January was warmer than normal and October was one of the warmest on record (HDD 45% less than the 10 year

average as defined). To illustrate this, we have also attached two graphics for the Continental USA illustrating the temperature per cent of normal for the average 1998-2007 for the months of January 2007 and February 2007 (produced by NOAA/ESRL, the US National Oceanic and Atmospheric Administration, Earth System Research Laboratory).

Part A

Degree Days for Pearson International Airport

	10-yr Weather Normal 1995-2004		Year 2006 Actual		2006 Variance from 10 yr 1995-2004 (Degree Days)		2006 Variance from 10 yr 1995-2004 (per cent)	
	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD
Jan	720.9	0.0	551.8	0	-169.1	0.0	-23.5%	N/A
Feb	612.1	0.0	604.3	0	-7.8	0.0	-1.3%	N/A
Mar	538.6	0.0	516.6	0	-22.0	0.0	-4.1%	N/A
Apr	343.8	1.2	293.3	0	-50.5	-1.2	-14.7%	-100.0%
May	158.8	11.2	136.9	26	-21.9	14.8	-13.8%	131.3%
Jun	32.9	64.3	19.5	73.6	-13.4	9.3	-40.8%	14.4%
Jul	5.4	116.1	0	167.3	-5.4	51.2	-100.0%	44.1%
Aug	6.2	103.6	4.2	101.6	-2.0	-2.0	-32.7%	-2.0%
Sep	66.1	36.9	80.9	12.9	14.8	-24.0	22.4%	-65.1%
Oct	249.0	2.1	288.3	1.1	39.3	-1.0	15.8%	-46.9%
Nov	423.1	0.0	382.2	0	-40.9	0.0	-9.7%	N/A
Dec	609.9	0.0	500.5	0	-109.4	0.0	-17.9%	N/A
Annual	**3,766.8**	**335.5**	**3,378.5**	**382.5**	**-388.3**	**47.0**	**-10.3%**	**14.0%**

Part B

Degree Days for Pearson International Airport

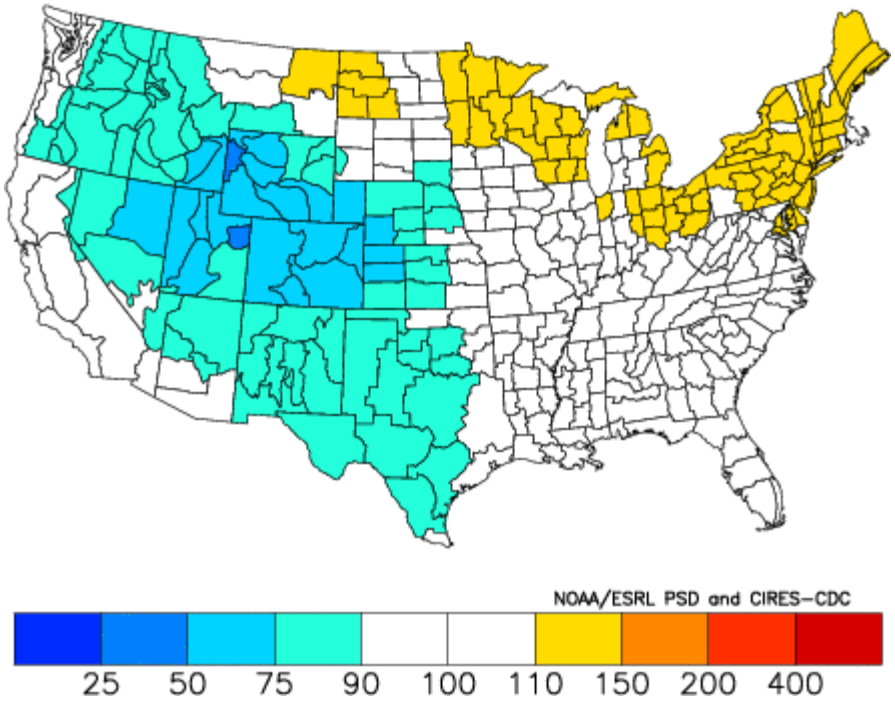
	10-yr Weather Normal 1996-2005		Year 2007 Actual		2007 Variance from 10 yr 1996-2005 (Degree Days)		2007 Variance from 10 yr 1996-2005 (per cent)	
	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD
Jan	732.6	0.0	647.1	0	-85.5	0.0	-11.7%	N/A
Feb	603.1	0.0	740.1	0	137.0	0.0	22.7%	N/A
Mar	549.6	0.0	546.7	0	-2.9	0.0	-0.5%	N/A
Apr	332.7	1.2	356.4	0	23.7	-1.2	7.1%	-100.0%
May	162.8	11.0	136.4	22.4	-26.4	11.4	-16.2%	104.2%
Jun	31.8	71.2	16.5	99.2	-15.3	28.1	-48.1%	39.4%
Jul	4.3	121.9	3.2	106.1	-1.1	-15.8	-26.3%	-13.0%
Aug	5.8	105.4	5.2	141	-0.6	35.6	-10.3%	33.8%
Sep	55.0	40.9	36.9	47.5	-18.1	6.7	-32.9%	16.3%
Oct	249.1	2.5	137.7	19.8	-111.4	17.3	-44.7%	688.8%
Nov	410.8	0.0	462.5	0	51.8	0.0	12.6%	N/A
Dec	604.7	0.0	630.7	0	26.0	0.0	4.3%	N/A
Annual	**3,742.3**	**354.0**	**3,719.4**	**436**	**-22.9**	**82.0**	**-0.6%**	**23.2%**

Part C

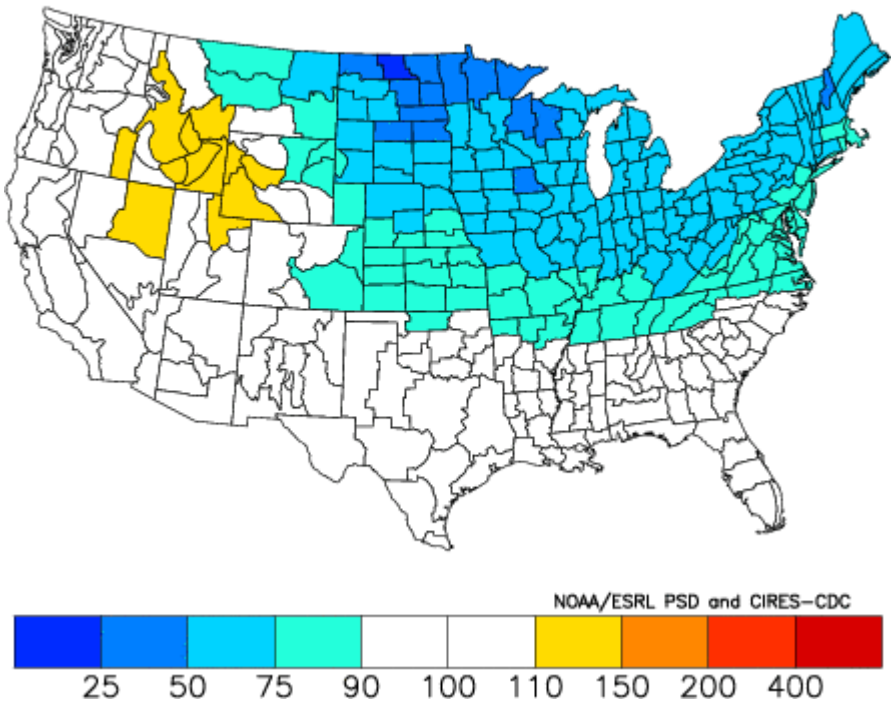
Degree Days for Pearson International Airport

10-yr Weather Normal 1997-2006			Year 2008 Actual		2008 Variance from 10 yr 1997-2006 (Degree Days)		2008 Variance from 10 yr 1997-2006 (per cent)	
	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD
Jan	711.3	0.0	623.5	0	-87.8	0.0	-12.3%	N/A
Feb	594.5	0.0	674.7	0	80.2	0.0	13.5%	N/A
Mar	536.7	0.0	610.2	0	73.5	0.0	13.7%	N/A
Apr	321.2	1.2	253.9	0	-67.3	-1.2	-21.0%	-100.0%
May	155.9	12.7	193.5	2.5	37.6	-10.2	24.1%	-80.3%
Jun	31.7	74.7	22.7	71.5	-9.0	-3.2	-28.3%	-4.3%
Jul	3.3	132.7	1	111	-2.3	-21.7	-69.8%	-16.3%
Aug	6.0	106.9	12.7	64	6.7	-42.9	112.7%	-40.1%
Sep	55.9	39.4	59.5	26.7	3.6	-12.7	6.4%	-32.3%
Oct	250.6	2.6	278.6	0	28.0	-2.6	11.2%	-100.0%
Nov	397.8	0.0						
Dec	597.6	0.0						
Annual	**3,662.5**	**370.2**						

Percent of Normal Temperature 1998–2007
Jan 2007



Percent of Normal Temperature 1998–2007
Feb 2007



It should be noted that ERA has developed weather-normal load forecasts for several LDCs including Centre Wellington and has consistently adopted the most recent 10 years (1998 to 2007) as the definition of weather normal. ERA adopted this definition of "weather normal" as the Board has accepted this definition in other cases involving electricity distribution; namely, Toronto Hydro Electric System Limited ("THESL"). For example, in their forward test year filing in the 2006 EDR process (EB-2005-0421), THESL proposed to use the most recent 10 years (1995 to 2004) as the definition of "weather normal." In its Decision with Reasons, dated April 12, 2006, the Board accepted the load forecast as proposed by the Applicant.

THESL again proposed the most recent 10 years (1996 to 2005) in their multi-year rate filing for 2008 – 2010 rates (EB-2007-0680). In their Application, THESL explained that the 10 year average was chosen over the 30 year average due to a pronounced trend in HDD and CDD, as illustrated in Figure 2 at Exhibit K1, Tab 1, Schedule 1, Page 7 of their Application. Again, the Board in their Decision with Reasons issued May 15, 2008, accepted this definition of weather normal.

Centre Wellington and ERA have developed a model to weather normalize Centre Wellington's throughput based on best efforts and relying upon a definition that was previously filed and approved by the Board with the least amount of complexity necessary and that is consistent across LDCs (to the extent that data allows). Centre Wellington and ERA were careful to design the model and definition of weather normal based on what appeared to be reasonable and based on past practices of other LDCs that have had approval by the Board. In developing the model, it was paramount that the model specification and weather normal definition be as consistent as possible across LDCs and that model specification and weather normal definition not be driven by a desired result (i.e., choosing a specification and weather normal definition in order to get a particular result).

We note that while there are many definitions of weather normal, the US NOAA/ESRL also uses the 10 year period 1998-2007 (among others) as a long term climatological base period comparator.

Board Staff Interrogatory No. 37

Weather Forecast

[Ref: Ex3/T2/S9/Pg6]

Preamble: Wellington is seeking Board approval for a test year weather normal of 3,631 HDD and 390 CDD, based on a 10-year simple average of weather data recorded at Toronto Pearson Airport. At Ex 3/T2/S9/page 8, Wellington states "Our view is that a ten-year average based on the most recent ten calendar years available is a reasonable compromise that likely reflects the "average" weather experienced in recent years".

Question:

Similar to the scenarios described in Board Staff Interrogatory # 36., please provide the following "back-casting" scenario's using a linear trend method based on 20-years of historical weather data.

a. Assuming Wellington is preparing a 2006 test year forecast, please develop a weather normal using a linear trend method based on 20-years of historical weather data from 1985-2004 and compare this forecast to actual observed weather in 2006. Please calculate the variance and percent variance from actual observed weather.

b. Assuming Wellington is preparing a 2007 test year forecast, please develop a weather normal for the 2007 test year using a linear trend method based on 20-years of historical weather data from 1986-2005 and compare this forecast to actual observed weather in 2007. Please calculate the variance and percent variance from actual observed weather.

c. Assuming Wellington is preparing a 2008 test year forecast, please develop a weather normal for the 2008 test year using a linear trend method based on 20-years of historical weather data from 1987-2006 and compare this forecast to actual year-to-date observed weather in 2008. Please calculate the variance and percent variance from actual observed weather.

Response:

Similar to what has been provided in response to Board Staff IR #36, below please find tables which outline the three different 20 year weather normal scenarios for Pearson Airport asked for by Board Staff (1985-2004, 1986-2005, and 1987-2006) comparing these to actual degree days in 2006, 2007, and 2008 year-to-date, respectively. We have presented data and comparison on a monthly and annual basis as there are significant variations from month to month.

The additional discussion provided in response to Board Staff IR #36 also applies to this response.

Part A								
Degree Days for Pearson International Airport								
20-yr Weather Normal 1985-2004			Year 2006 Actual		2006 Variance from 10 yr 1995-2004 (Degree Days)		2006 Variance from 20 yr 1985-2004 (per cent)	
	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD
Jan	720.3	0.0	551.8	0	-168.5	0.0	-23.4%	N/A
Feb	640.8	0.0	604.3	0	-36.5	0.0	-5.7%	N/A
Mar	551.1	0.0	516.6	0	-34.5	0.0	-6.3%	N/A
Apr	336.7	1.9	293.3	0	-43.4	-1.9	-12.9%	-100.0%
May	159.9	13.7	136.9	26	-23.0	12.3	-14.4%	90.3%
Jun	40.3	54.5	19.5	73.6	-20.8	19.1	-51.6%	35.0%
Jul	5.7	109.6	0	167.3	-5.7	57.7	-100.0%	52.7%
Aug	12.5	88.5	4.2	101.6	-8.3	13.1	-66.4%	14.8%
Sep	84.7	29.3	80.9	12.9	-3.8	-16.4	-4.5%	-56.0%
Oct	268.9	1.6	288.3	1.1	19.4	-0.5	7.2%	-31.9%
Nov	432.0	0.0	382.2	0	-49.8	0.0	-11.5%	N/A
Dec	625.4	0.0	500.5	0	-124.9	0.0	-20.0%	N/A
Annual	**3,878.4**	**299.1**	**3,378.5**	**382.5**	**-499.9**	**83.4**	**-12.9%**	**27.9%**

Part B								
Degree Days for Pearson International Airport								
20-yr Weather Normal 1986-2005			Year 2007 Actual		2007 Variance from 20 yr 1986-2005 (Degree Days)		2007 Variance from 20 yr 1986-2005 (per cent)	
	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD
Jan	717.8	0.0	647.1	0	-70.7	0.0	-9.9%	N/A
Feb	638.4	0.0	740.1	0	101.7	0.0	15.9%	N/A
Mar	554.1	0.0	546.7	0	-7.4	0.0	-1.3%	N/A
Apr	335.7	1.7	356.4	0	20.7	-1.7	6.2%	-100.0%
May	161.4	13.3	136.4	22.4	-25.0	9.1	-15.5%	68.4%
Jun	36.8	61.4	16.5	99.2	-20.3	37.8	-55.1%	61.6%
Jul	5.2	116.1	3.2	106.1	-2.0	-10.0	-38.6%	-8.6%
Aug	11.8	92.6	5.2	141	-6.6	48.4	-55.9%	52.3%
Sep	81.8	29.4	36.9	47.5	-44.9	18.1	-54.9%	61.5%
Oct	266.6	2.0	137.7	19.8	-128.9	17.8	-48.4%	892.5%
Nov	429.6	0.0	462.5	0	32.9	0.0	7.7%	N/A
Dec	623.6	0.0	630.7	0	7.1	0.0	1.1%	N/A
Annual	**3,862.8**	**316.5**	**3,719.4**	**436**	**-143.4**	**119.5**	**-3.7%**	**37.8%**

Part C								
Degree Days for Pearson International Airport								
20-yr Weather Normal 1987-2006			Year 2008 Actual		2008 Variance from 20 yr 1987-2006 (Degree Days)		2008 Variance from 20 yr 1987-2006 (per cent)	
	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD
Jan	708.9	0.0	623.5	0	-85.4	0.0	-12.0%	N/A
Feb	634.8	0.0	674.7	0	39.9	0.0	6.3%	N/A
Mar	552.9	0.0	610.2	0	57.3	0.0	10.4%	N/A
Apr	334.8	1.7	253.9	0	-80.9	-1.7	-24.2%	-100.0%
May	161.6	13.7	193.5	2.5	31.9	-11.2	19.8%	-81.7%
Jun	34.4	64.2	22.7	71.5	-11.7	7.3	-34.0%	11.4%
Jul	4.7	119.2	1	111	-3.7	-8.2	-78.7%	-6.9%
Aug	10.1	95.1	12.7	64	2.6	-31.1	25.5%	-32.7%
Sep	80.5	29.6	59.5	26.7	-21.0	-2.9	-26.1%	-9.9%
Oct	266.7	2.1	278.6	0	11.9	-2.1	4.5%	-100.0%
Nov	424.0	0.0						
Dec	618.9	0.0						
Annual	**3,832.4**	**325.6**						

Board Staff Interrogatory No. 38

Load Forecast

Question:

[Ref: Ex3/T2/S9/Pg6]

At Ex 3/T2/S9/page 6 and page 7 Wellington states that the forecasts for the Residential and the GS<50 rate classes are based on “OLS estimates using the 72 observations from 2002:1 to 2007:12”. Please explain the rationale for using only 72 observations to develop the load forecast?

Response:

We used 72 observations as this is all the data available to us.

Board Staff Interrogatory No. 39

Load Forecast

Question:

Please provide the following information regarding the accuracy of previous load forecasts:

a. What was the forecast error (i.e. variance between total normalized actual 2004 load versus forecast 2004 load) of the 2004 load forecast?

b. What was the forecast error (i.e. variance between total normalized actual 2005 load versus forecast 2005 load) of the 2005 load forecast?

c. What was the forecast error (i.e. variance between total normalized actual 2006 load versus forecast 2006 load) of the 2006 load forecast?

d. What was the forecast error (i.e. variance between total normalized actual 2007 load versus forecast 2007 load) of the 2007 load forecast?

e. What was the year-to-date (Jan-08 to Aug-08) forecast error (i.e. variance between total normalized actual 2008 load versus forecast 2008 load) of the 2008 Bridge year load forecast?

Response:

Centre Wellington Hydro does not prepare annual load forecasts on a regular basis. Therefore, Centre Wellington Hydro is unable to answer this question.

Board Staff Interrogatory No. 40

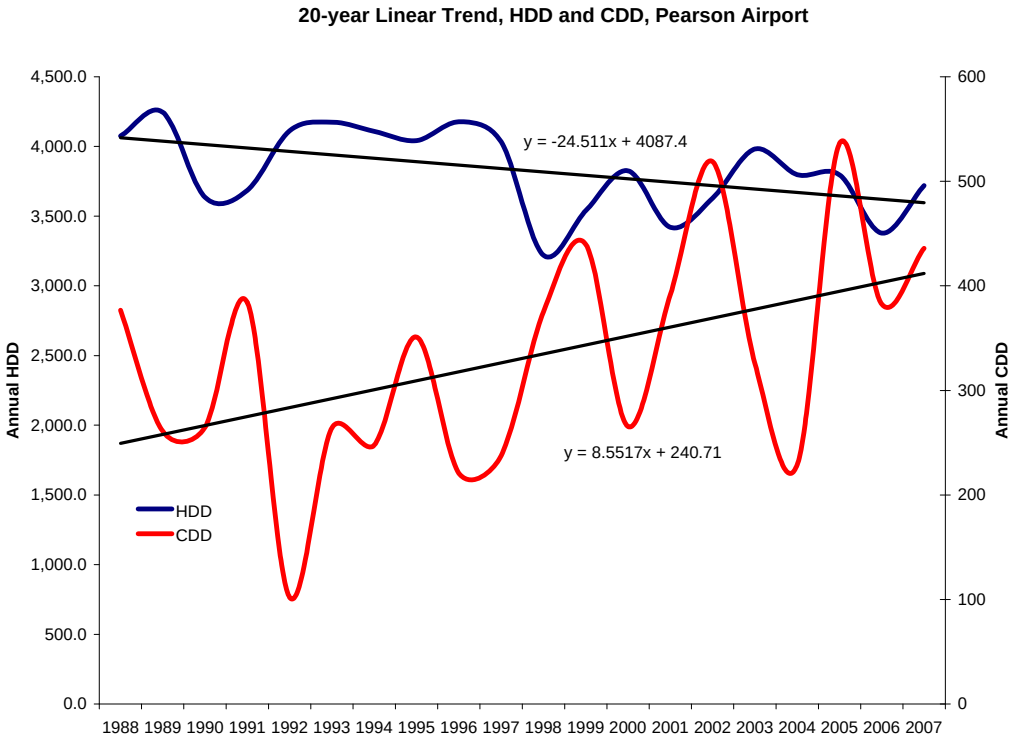
Load Forecast

Question:

Please prepare a weather normal for test year 2009 using a liner trend method based on 20 years of historical weather data. Please also prepare a load and revenue forecast using the methodology proposed in this application, for test year 2009 using this weather normal.

Response:

Below, we have fitted a linear trend to 20 years of historical weather data (HDD and CDD from 1988 to 2007) for Toronto Pearson International Airport.



Based on the estimated trend equations, HDD and CDD have been projected for 2003 up to and including the 2009 test year. These values are summarized in the table below:

Actual and Projected (Trend) HDD and CDD for Pearson International Airport, based on 1988-2007

Year	Actual HDD	Trend HDD	Actual CDD	Trend CDD
2003	3,981.5	3,695.2	325.6	377.5

2004	3,797.9	3,670.7	228.9	386.1
2005	3,796.8	3,646.2	536.2	394.6
2006	3,378.5	3,621.7	382.5	403.2
2007	3,719.4	3,597.2	436	411.7
2008		3,572.7		420.3
2009		3,548.2		428.8

Please note that the resulting trend is not weather normal in the sense of a climatological long term average. Rather, it is a projection of actual degree days using a simple linear trend based on the actual annual degree over the latest 20 years available.

The ERA weather normalization/load forecast model was developed for use with monthly degree day data, month-to-month changes in full-time employment, and monthly peak days. It is not possible to develop a load forecast using the above annual trended degree days using the current ERA model.

Board Staff Interrogatory No. 41

Load Forecast

Question:

[Ex 3/T2/S9/Pg2]

Preamble: At Ex 3/T2/S9/page 2 Wellington states "Short-term variation in electricity consumption is heavily influenced by three main factors – weather (e.g. heating and cooling), which is by far the dominant effect for most systems; economic factors (increases or decreases in economic activity leads to changes in employment, industrial and commercial activity, building and population change); and timing factors (non-holiday weekdays when businesses are typically operating)". [Emphasis added]

a. Please explain the rationale for not using 'number of customers' as an explanatory variable in the Residential and GS< 50 regression equations.

Response:

There are several reasons why the number of customers was not used as an explanatory variable in the Residential and GS<50 kW class kWh regression equations. The summary answer is that the best specification of the model (based on explanation of variance and statistical significance of the estimates) occurred when number of customers was not included. ERA has prepared a number of load forecasts for several LDCs. In developing the load forecast equations with the limited amount of data available, it has been ERA's experience that the level of employment is generally a better explanatory variable for kWh throughput than is the number of customers. This is likely because employment is a broader based indicator of economic activity. Changes in economic activity may or may not result in changes in the number of customers. Likely, as the above quote from the ERA load forecast report indicates, there is some correlation between the number of customers and employment. Therefore, including both as explanatory variables may cause multi-co-linearity problems in regression analysis. In the case of Residential consumption for Centre Wellington Hydro, the number of customers does yield a robust estimate with statistically significant results when it appears as an explanatory variable without employment. When employment is included, the number of customers becomes borderline insignificant with an intuitively incorrect sign. Using only employment yields the most robust results, in terms of statistical significance and explanation of variance. Similar results occur in the GS<50 kW class. When the number of customers is added to the regression, the coefficient estimate is insignificant and of the wrong sign. When substituted for employment, the regression results are not as robust.

b. Please prepare an alternative forecast for the residential and GS<50 rate class using the following regression equations: Res kWh=f(Residential customers, HDD, CDD, Employment)+constant and GS<50 kWh=f(GS<50

customers, HDD, CDD, Peak days)+constant. If monthly customer data is not available, please make a reasonable assumption for the purposes of completing the interrogatory.

Response:

The following equations have been estimated as requested by Board Staff:

1. Res kWh = ƒ(Res Cust, HDD, CDD, Employ) + const
   OLS estimates using the 72 observations 2002:01-2007:12
   Unadjusted R^2 = 0.88519
   Adjusted R^2 = 0.87833
   F-statistic (4, 67) = 129.14 (p-value < 0.00001)
   Durbin-Watson statistic = 1.78394

Variable Name	Estimated Coeff.	T-Ratio	P-Value
const	1.70899E+06	3.199	0.00211
Res Cust	-527.842	-1.914	0.05991
HDD	2330.10	21.880	<0.00001
CDD	6041.42	12.035	<0.00001
FTE Employ	7510.54	3.513	0.00080

2. GS<50 kWh = ƒ(GS<50 Cust, HDD, CDD, Peak days) + const
   OLS estimates using the 72 observations 2002:01-2007:12
   Unadjusted R^2 = 0.79733
   Adjusted R^2 = 0.78523
   F-statistic (4, 67) = 65.895 (p-value < 0.00001)
   Durbin-Watson statistic = 1.55985

Variable Name	Estimated Coeff.	T-Ratio	P-Value
const	785871	2.596	0.01157
GS<50 Cust	835.026	2.002	0.04936
HDD	648.660	16.187	<0.00001
CDD	2132.64	10.981	<0.00001
Peak days	9442.96	1.320	0.19143

b. Please provide the statistical results of the above equations and update Table 3 (Ex 3/T2/S9/page 7) based on results of the above regression equations.

Response:

Statistical results of the equations are provided in response to 41(b). Forecast results based on these equations are provided in the updated table below.

Weather Corrected Consumption for Centre Wellington Hydro Based On Board Staff Equation Specification from Board Staff IR 41 (b) Response.				
			10-yr (1998-2007)	
Year	Actual residential kWh	%chg	Weather Normal	%chg

2002			42,134,582	
2003	46,627,475		42,599,949	1.1%
2004	46,604,134	-0.1%	43,122,731	1.2%
2005	48,370,214	3.8%	44,201,395	2.5%
2006	46,479,977	-3.9%	45,211,580	2.3%
2007	47,886,438	3.0%	44,291,771	-2.0%
2008F			44,047,156	-0.6%
2009F			43,690,207	-0.8%
Year	Actual GS<50 kWh	%chg	Weather Normal	%chg
2002			21,234,549	
2003	27,036,581		21,142,438	-0.4%
2004	26,788,352	-0.92%	21,162,994	0.1%
2005	26,768,115	-0.08%	21,201,725	0.2%
2006	25,943,176	-3.08%	21,281,888	0.4%
2007	27,070,448	4.35%	21,629,774	1.6%
2008F			21,741,410	0.5%
2009F			21,862,231	0.6%

d. Please provide the impact on the proposed test year load and revenue forecast, if a load forecast based on the above equations were adopted?

Response:

The test year impact of using the above equations suggested by Board Staff is summarized in the table below:

Impact of Using Equations in Board Staff 41 (b) rather than Application		
Class	Impact (kWh)	Impact (per cent)
Residential	-1,356,423	-3.0%
GS<50 kW	53,160	0.2%

The load and revenue impact is provided in the following table.

	Residential	GS<50 kW
Load:		
As submitted	45,046,630	21,809,071
Revised	43,690,207	21,862,231
Change in values	1,356,423	(53,160)
Revenue:		
As submitted	$ 1,544,673	$ 479,621
Revised	$ 1,544,041	$ 479,425
Change in values	$ 632	$ 196

Board Staff Interrogatory No. 42

Load Forecast

Question:

Please provide the percent impact on the proposed test year distribution load and revenue forecast, of the following:

a) 1% change in total number of customers.

Response:

The test year forecast normalized average use per customer for the Residential Class is 7,889 kWh and for the GS<50 kW class is 31,752 kWh. A 1% change in Residential customers would result in approximately ± 57 customers or about ± 449,670 kWh per annum. A 1% change in GS<50 customers would result in approximately ± 7 customers or about ± 222,265 kWh per annum.

The percent impact of this proposal follows:

1% increase in total number of customers

	Residential	% Change	GS<50 kW	% Change
Load kWh's:				
As submitted	45,046,630		21,809,071	
Revised	45,496,300		22,031,336	
Change in values	(449,670)	-1.0%	(222,265)	-1.0%
Revenue:				
As submitted	$ 1,544,673		$ 479,621	
Revised	$ 1,544,996		$ 479,722	
Change in values	$ (323)	0.0%	$ (101)	0.0%

1% decrease in total number of customers

	Residential		GS<50 kW	
Load kWh's:				
As submitted	45,046,630		21,809,071	
Revised	44,596,960		21,586,806	
Change in values	449,670	1.0%	222,265	1.0%
Revenue:				
As submitted	$ 1,544,673		$ 479,621	
Revised	$ 1,544,349		$ 479,521	
Change in values	$ 324	0.0%	$ 100	0.0%

b) 1% change in the proposed weather normal.

Response:

A change of ± 1% to weather normal HDD implies a ± 82,364 kWh per annum change for Residential Class consumption and a ± 24,837 kWh per annum change for GS<50 kW Class consumption. A change of ± 1% to weather normal CDD implies a ± 24,506 kWh per annum change for Residential Class consumption and a ± 8,222 kWh per annum change for GS<50 kW Class consumption.

The percent impact of this proposal is as follows:

1% increase in proposed weather normal HDD

	Residential	%Change	GS<50 kW	%Change
Load kWh's:				
As submitted	45,046,630		21,809,071	
Revised	45,128,994		21,833,908	
Change in values	(82,364)	-0.2%	(24,837)	-0.1%
Revenue:				
As submitted	$ 1,544,673		$ 479,621	
Revised	$ 1,544,724		$ 479,637	
Change in values	$ (51)	0.0%	$ (16)	0.0%

1% increase in proposed weather normal CDD

	Residential	%Change	GS<50 kW	%Change
Load kWh's:				
As submitted	45,046,630		21,809,071	
Revised	45,071,136		21,817,293	
Change in values	(24,506)	-0.1%	(8,222)	0.0%
Revenue:				
As submitted	$ 1,544,673		$ 479,621	
Revised	$ 1,544,688		$ 479,626	
Change in values	$ (15)	0.0%	$ (5)	0.0%

1% decrease in proposed weather normal HDD

	Residential		GS<50 kW	
Load kWh's:				
As submitted	45,046,630		21,809,071	
Revised	44,964,266		21,784,234	
Change in values	82,364	0.2%	24,837	0.1%
Revenue:				
As submitted	$ 1,544,673		$ 479,621	
Revised	$ 1,544,621		$ 479,605	
Change in values	$ 52	0.0%	$ 16	0.0%

1% decrease in proposed weather normal CDD

	Residential		GS<50 kW	
Load kWh's:				
As submitted	45,046,630		21,809,071	
Revised	45,022,124		21,800,849	
Change in values	24,506	0.1%	8,222	0.0%
Revenue:				
As submitted	$ 1,544,673		$ 479,621	
Revised	$ 1,544,657		$ 479,616	
Change in values	$ 16	0.0%	$ 5	0.0%

Board Staff Interrogatory No. 43

Other Revenues

Question:

[Ref: Ex3/T3/S2/Pg3]

Wellington is forecasting revenues of $151,000 from Interest & Dividend Income (Account 4405) in the test year. This represents a -42% decline from 2006 actual revenues. Please describe in detail how the test year estimate for Account 4405 was developed and identify the assumptions underpinning the above estimate.

Response:

The test year estimate of for Account 4405 is based on the company's forecast of the interest and dividend income for 2009 resulting from its planned financing and expected cash position. There were no significant changes in the assumptions or methodology used to develop the 2009 estimate. The 42% decline from the 2006 actual revenues is due almost solely to a 2008 change in the utility's cash position which is expected to move the 2009 working capital toward the 15% level approved by the Board. Before the end of 2008, Centre Wellington will be transferring $2 million to Centre Wellington Energy Inc., a wholly owned company of the Township of Centre Wellington. As a result of this transfer, Centre Wellington Hydro's capital structure and working capital will be more closely aligned with the levels approved by the Board.

Centre Wellington Hydro forecasted the average bank balance for 2009 to be $4.3 million with an average projected interest rate of 3.5%. This results in investment interest revenue of approximately $150,000. The additional $1,000 is dividend income.

Board Staff Interrogatory No. 44

Operations, Maintenance & Administrative Expenses

Question:

[Ref: Ex4/T1/S1]

The figures in the table below are taken directly from the public information filing in the Reporting and Record-keeping Requirements ("RRR") initiative of the OEB. The figures are available on the OEB's public website. Please confirm Welland's agreement with the numbers for OM&A, which are summarized in the table below. Where Wellington does not agree with the OM&A numbers in the table below, please provide the revised number and an explanation of why it has been revised.

	2003	2004	2005
Operation	$177,877	$174,051	$202,769
Maintenance	$289,254	$258,340	$286,656
Billing and Collection	$398,182	$402,211	$261,470
Community Relations	$14,534	$22,804	$39,205
Administrative and General Expenses	$657,592	$538,439	$740,807
Total OM&A Expenses	**$ 1,537,439**	**$ 1,395,844**	**$ 1,530,908**

Response:

Centre Wellington Hydro agrees with the numbers for OM&A, however would like to point out that the Community Relations is overstated by account #5660-General Advertising Expenses and Administration and General Expenses is understated by account # 5660-General Advertising Expenses.

Centre Wellington Hydro feels that the Account 6105-Taxes other than Income Taxes should be included in OM&A. The Applicant also feels that OM&A should exclude account 6205-Donations. The below table reflects the items discussed above.

Historical OM&A Expense Data

	2003	2004	2005
Operation	177,877	174,051	202,769
Maintenance	289,254	258,340	286,656
Billing and Collection	398,182	402,211	261,470
Community Relations	12,265	21,753	35,400
Administrative & General Expenses	659,861	539,490	744,612
Total OM&A Expenses	1,537,439	1,395,845	1,530,907
Adjustments:			
Plus Property Taxes - #6105	30,678	30,832	32,730
Less Donations #6205	(100,400)	(250)	(104,700)
Adjusted total OM&A Expenses	1,467,717	1,426,427	1,458,937

Board Staff Interrogatory No. 45

Operations, Maintenance & Administrative Expenses

Question:

[Ref: Ex4/T1/S1]

What inflation rate is used for the 2009 OM&A forecast and what is the source document for inflation assumptions?

Response:

This question is difficult to answer because salaries reflect an increase of 3% based on the union and non-union employee negotiated contracts plus anticipated overtime required to implement various projects. All other expenses are looked at on a line by line basis. Estimates are based on the actual costs for the previous years or on estimated costs for the various expenses for the next year. In some cases the costs remain the same from year to year; if not required in the budget year the costs are eliminated completely or reduced to the new service level. The same holds true for cost increases, CWH looks at each line item to determine the appropriate level of increase for existing budget line items or to determine if new costs are justified in the next budget year.

In a few cases CWH used a 1.9% increase as an inflationary cost, based on what was allowed by the OEB in the last IRM, to determine the value for expenses where CWH does not have control over the increases.

Again, CWH does not arbitrarily increase all cost by an inflation rate. Expenses are looked at individually within each USofA account.

Board Staff Interrogatory No. 46

Operations, Maintenance & Administrative Expenses

Question:

[Ref: Ex4/T2/S2]

Maintenance expenses (total $0.3 million - 2009) are showing a 15.8% increase in 2009 relative to 2007 and an 18.4% increase since 2006.

Please provide a thorough explanation of the main cost drivers for the increases in maintenance expenses since 2006. Are these expense increases part of an overall plan or strategy by Wellington? If so, please describe the plan and state the expected benefits going forward (e.g., reduced outages, reduced future maintenance costs). Where possible, please quantify the ratepayer benefits of the maintenance plan.

Response:

The following table identifies the key cost drivers from 2006 Actual to 2009 Test year Maintenance Expenses:

	2006	2007	2008	2009	2006-2009
Opening Balances	286,656	247,085	252,713	296,200	247,085
Labour & Overhead burdens	(5,377)	(15,134)	27,228	(11,600)	494
Contracted work	(6,636)	25,361	(2,660)	3,000	25,702
Materials	(21,990)	(760)	8,477	4,500	12,217
Hydro One Whlse-Legacy Meter Point Rebate	(7,034)	(2,696)	9,710	1,000	8,014
Inflation	1,466	(1,143)	731	(500)	
Closing Balances	247,085	252,713	296,200	292,600	293,512

Labour and Overhead burdens – as staffing levels have not changed between 2006 and 2009, the labour and burdens will fluctuate between accounts (Operations, Maintenance, Capital and Community Relations) depending upon Centre Wellington Hydro's work program.

Contracted work - related to inspection and maintenance to distribution stations to reduce distribution line losses, ensure system reliability and compliance with all regulations. In-service transformer painting is now contracted out annually so that they can be re-finished without interruption to supply.

Materials – on-going cost of replacement of small primary conductors (#6 copper) to reduce distribution line losses and replacement of one or two poles as deemed necessary for system reliability purposes. Materials include the maintenance of transformers, sand blasting and repainting and testing of oil levels.

Hydro One Network – rebate for Wholesale Legacy Meter point rebates have been discontinued. In 2006 the rebate was $7,736 and in 2007 the rebate was $9,500.

Board Staff Interrogatory No. 47

Operations, Maintenance & Administrative Expenses

Question:

[Ref: Ex4/T2/S2]

Administrative and General Expenses (total $0.8 million - 2009) are showing a 24% increase in 2009 relative to 2007 and a 34% increase since 2006.

Please provide a thorough explanation of the main cost drivers for the increases in Administrative and General Expenses since 2006.

Response:

The following table identifies key cost drivers from 2006 Actual to 2009 Test year:

	2007	2008	2009
Opening Balances	588,417	636,151	739,200
Payroll Changes	43,483	64,499	6,900
Cost of Service Providers	1,071	28,662	30,200
Inflation	3,179	9,888	10,000
Closing Balances	636,151	739,200	786,300

2007 Cost Drivers:

Payroll changes:

i. Salary adjustment for the President, now using personal vehicle instead of company supplied vehicle ($10K). However, travel and vehicle expenses also decreased by the corresponding amount (-$10K).

ii. Salary increased ($8K) due to salaries offset in 2006 by short term disability insurance.

iii. Increase in benefit and payroll premiums ($8K)

iv. Overtime required to convert to standard setups in billing system and to upgrade to next version NS V6.0 ($10K)

v. Negotiated salary increases of 3%

Cost of Service Providers:

i. Reduction in fees paid for outside service fees (-$17K) in account 5630.

ii. Increase in Property insurance & Injuries and Damages premiums ($4K) and new business credit risk insurance ($13K).

iii. Increase in regulatory fees ($3K).

Inflation:

i. Total increase and decreases in other spending results in an inflation rate of between ½ to 2 percent.

2008 Cost Drivers:

Payroll Changes:

i. Retention of Contract employee who was hired to cover a maternity leave for an additional period of May to December to assist with work load during re-training of full-time staff member, assist with summer work load while other employees are on vacation and to assist with work load created by 2009 Rate rebasing and implementation of upgrade to financial system ($17K).

ii. Increase in cost due to replacement of Financial Assistant who is taking a leave of absence while attending school to complete her CGA program. This increase includes training and a higher wage rate ($13K).

iii. Increase of ($5K) because Financial Assistant has retained the duties of payroll and HR and comes in on weekends to perform these duties.

iv. Payout of vacation time not taken due to increased work load in 2008 related to Rate Application ($8K).

v. Additional overtime of staff not working on the Application to pickup responsibilities being dropped by those doing Application and IR's ($5K).

vi. Negotiated salary increase of 3% and increase in payroll premiums and benefits ($14K)

Cost of Service Providers:

i. Hiring of outside consultant to assist in team building exercise, conflict resolution and to establish and maintain a high level of respect amongst employees ($16K).

ii. Hiring of outside consultants to assist with 2007 IRM and other Regulatory issues (excluding the 2009 Rebasing application), increase in audit and legal fees ($8.5K).

iii. Increase in Electrical Safety Authority Fees ($1.5K)

iv. Hiring of an outside consultant to assist with boundary issues ($5K).

Inflation:

i. Total increase in other spending is appropriately 1.6%.

2009 Cost Drivers:

Payroll Changes:

i. Termination of contract person's contract resulting in a decrease (-$17K).

ii. Hiring of summer staff to cover vacation and increased duties ($7K)

iii. Decrease in payout of overtime time and unused vacation time (-$5K)

iv. Increase in wages of contract person covering for Financial Administrator and cross training when she returns full time ($10K).

vii. Negotiated salary increase of 3% and increase in payroll premiums and benefits ($12K)

Cost of Service Providers:

i. Decrease in hiring of Outside Services (Account 5630) because the consultant hired in 2008 for team building was a one time cost.

ii. Increase in property, injuries and damages premiums ($5K).

iii. Increase in costs in account 5655 is $39K which is due to estimated cost for the 2009 cost of service filing spread over three years for $34K; increase in ESA Fees $1K and increase in OEB fees of $4K. The Applicant has revised the cost of preparing the 2009 Cost of Service Application to $163,000 to be recovered over four years at $40,750 per year. The impact of this revision is reflected on the Summary of Changes table included with the Manager's Summary.

iv. Increase in account 5680 for ESA audit fees and standards setups ($1K)

Inflation:

i. Total increase in other spending is approximately 1.35%

Board Staff Interrogatory No. 48

Operations, Maintenance & Administrative Expenses

Question:

[Ref: Ex4/T2/S7/Pg1]

Has Wellington assessed its own workforce in the context of the risks associated with an aging workforce? If so, please provide a description of Wellington's plan to address the aging workforce issue. In doing so, please address the expected timeframe, costs, and benefits of implementing the plan.

Response:

Centre Wellington Hydro has assessed the risks of an aging workforce and has succession plans in place for some of its key senior positions. For example, the Financial Administrator position works very closely with the Vice President/Treasurer position. The incumbent currently in the Financial Administrator position will have an accounting designation in the next two years supported by Centre Wellington Hydro. Centre Wellington currently has a line foreman who has the knowledge, experience, and respect of the other tradesmen to step into the Operations Manager position if and when the need presents itself.

Overall, Centre Wellington Hydro is fortunate that the bulk of the staff are relatively young with almost no one is eligible for retirement for at least 15-20 years. As well, our continued participation with the CHEC group (a co-operative with 14 LDC's) has provided us with the ability to get outside resources to help offset staff changes.

Board Staff Interrogatory No. 49

Operations, Maintenance & Administrative Expenses

Question:

[Ref: Ex4/T2/S7/Pg1]

Does Wellington have a Management Performance & Compensation Plan for salaried employees? If so, please file it. Does Wellington have a special bonus (or incentive) plan over and above any base plan and if so, please provide the details, including who is eligible, and the specific nature of the plan.

Response:

The Applicant currently does not have a formal Management Performance & Compensation Plan for salaried employees. Management currently receives the same % rate of increase as the union and non-union staff. Management, however, is not compensated for overtime spent in completing duties as required; they are entitled to time-in-lieu if time permits this. All non-management personnel are paid overtime for any approved additional time if required to complete their duties.

The Applicant has not included any other special bonus (or incentive) in the 2009 rate application.

Board Staff Interrogatory No. 50

Operations, Maintenance & Administrative Expenses

Question:

[Ref: Ex4/T2/S7]

Please provide a table showing the percentage increases in base salary and total compensation (salary wages and benefits) budgeted for 2009 broken down by major employee grouping (e.g., executive, management, non-union and unionized workers).

Response:

Section 6-4: Employee Compensation of the 2006 EDR handbook states:
"For an applicant with fewer than three employees, reporting of employee compensation under this section is not required. In cases where there are three or fewer, full-time equivalents (FTEs) in any category, the applicant may aggregate this category with the category to which it is most closely related. This higher level of aggregation may be continued, if required, to ensure that no category contains three, or fewer, FTEs."

Major Employee Grouping		
	Base Salary/Wages 2009	% increase 2009
Unionized employees	$ 292,772	2.891%
Non-Unionized employees	$ 644,745	0.198%
Total Salaries/Wages	$ 937,517	1.024%
	Total Compensation	% increase 2009
Unionized employees	$ 376,772	2.846%
Non-Unionized employees	$ 738,745	0.037%
Total Compensation	$1,115,517	0.969%

As the Applicant has three or fewer full-time equivalents in the different categories, the Applicant has aggregated the totals.

Board Staff Interrogatory No. 51

Operations, Maintenance & Administrative Expenses

Question:

[Ref: Ex4/T2/S6]

Please describe any productivity or cost efficiency programs at Wellington that are either in place now or contemplated at some future time. Please describe the nature of any such program and the scope, timing and benefits expected.

Response:

Program: Member of Cornerstone Hydro Electric Concepts (CHEC)

Scope: Through our association with the CHEC group we have worked together to reduce costs. Some of the programs we have worked together on are: Common Conditions of Service document, Cost of Service applications, Economic Evaluation process, Smart Meter procurement with Utili-assist, RFP for Collection Agency services, RFP for annual Audit services, CDM programs, sharing of Operations procedures, joint training sessions and IFRS.

Timing: Ongoing since 2000

Benefits: The sharing of knowledge and resources has been a huge success. As well, the CHEC group has retained the services of a financial coordinator and a CDM coordinator. The financial coordinator has directly liaised with representatives from the OEB to clarify code interpretations and filing requirements. This has definitely helped to streamline internal processes within each participating LDC. The CDM coordinator has assisted all the CHEC members with completing the necessary reporting requirements and with working through the various conservation programs. As well, he has created and maintained a website that all our customers can access to obtain information, conservation tips, programs and available grants.

Program: SCADA/GIS

Scope: We are in preliminary discussions with other users of a similar GIS to see how we can integrate it with a financial package. It is our expectation that through this, it would assist us in creating an asset management plan.

Timing: 2009/2010

Benefits: Enhance existing efforts in managing, maintaining and tracking utility assets.

Program: Hydrogen system installed on diesel truck. System is designed to improve fuel consumption plus reduce harmful emissions.

Scope: In 2007 we installed a hydrogen system on one of our newer diesel trucks. Prior to installation we had discussions with another company that had installed the same unit on several vehicles in their fleet (diesel ambulances). Unfortunately, that particular hydrogen system did not work as expected with our model and size of vehicle so we had to remove it completely. We are currently looking at another technology that is a similar concept, however, has had proven successes in larger vehicles.

Timing: 2009/2010

Benefits: If we can get it to work, better fuel consumption and fewer emissions.

Program: Billing system cooperative, UCS

Scope: A few years ago we partnered with two other LDC's to create and use an identical CIS for all billing related services.

Timing: Current

Benefits: The benefits of doing so are as follows: the cost savings in software and licensing fees are shared amongst the users. The standardization of the system and processes minimizes any issues that may arise from software patches or upgrades. By eliminating customization within individual programs if glitches occur, they are easily identified and repaired. As well, by having all staff at member LDC's, and UCS, totally familiar with all aspects of the CIS, it helps manage the risk in the event of an unplanned illness or injury of integral staff members. Smaller LDC's have staff cross trained in various positions, however, in the event of a prolonged absence they do not have the redundancy to continue for extended periods of time. Training staff for specialized billing positions takes a long period of time to become proficient. Therefore, should an LDC have an unexpected event such as this, UCS could immediately provide some relief.

Program: Financial System Upgrade

Scope: Upgrade of total financial package and expand it to operational side of the business as well.

Timing: 2008/2010

Benefits: The Cayenta Financial system is a more robust system. It is currently being upgraded to handle parallel general ledgers for IFRS and the current OEB Regulatory books (GAAP). The existing financial system is not being updated to the same extent and has not had any major updates in a

number of years. In order to produce professional financial statements, cash flow statements, budgeting and analysis of various accounts it requires exporting to excel. The Cayenta Financials also will allow us to implement an operational package that includes fixed assets, work orders, job costing and User Portal Management which are not set up in the current system. Once implemented the operational package will reduce the manual costing and tracking of jobs and thus avoid the potential of errors.

Program: Purchase of digital filing and search system

Scope: Electronic filing of all billing and financial system reports and journals

Timing: 2008/2009

Benefits: In 2008 the purchase of the File Nexus system will allow us to reduce the amount of paper print out of journals and reports, thus reducing cost of paper, storage, employee time handling paper, etc. It will reduce time spent on searching through paper copies going forward because the files will be fully indexed. In 2010 we will review the additional modules available that will allow us to scan invoices, engineering drawings, etc. The reduction of paper files will also allow us to better utilize our floor space in the future because it will eliminate the need for large storage areas.

Program: Purchase of Cognos Reporting Tool

Scope: The ability to connect tables within the Billing system to produce custom reports.

Timing: 2008

Benefits: The ability to produce in-house reports will allow us to utilize the information from the billing system more effectively. Without this program we were not able to connect one table to another table within the CIS. It allows us to better schedule our time, gives us faster access to information and provides more accurate reporting.

Board Staff Interrogatory No. 52

Operations, Maintenance & Administrative Expenses

Question:

[Ref: Ex4/T2/S2/Pg19]

For Regulatory Expenses, please provide a breakdown by expense category/grouping of the $65,200 amount requested for 2009. Please indicate which cost elements are proposed for a thee-year amortization. Please provide an alternate scenario where the costs are amortized over a four-year recovery period rather than three.

Response:

The breakdown of the regulatory expenses of $65,200 as originally submitted is as follows:

	Original Budget Amount in Rate Application	Revised Budget Amount for Rate Application
OEB Annual Assessment	20,000	20,000
OEB Proceedings / Hearings	5,000	5,000
OEB Fees	1,200	1,200
ESA Fees	5,000	5,000
2009 Rebasing	34,000	40,750
Total Estimated Regulatory Expenses Acct 5655	65,200	71,950

The table below shows a detailed breakdown of the 2009 Rate Application cost for both the original budget submitted with the 2009 Rate Application and the revised budget that is being requested at this time. The Applicant did not anticipate the cost of completing the application to be as high as it appears it will be. In the revised budget amount the Applicant is proposing to spread the cost over a four (4) year timeframe based on the OEB's report on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors instead of the original three (3) year timeframe.

Centre Wellington Hydro
Estimate Budget and actual costs to date
2009 Rebasing Application

		ORIGINAL Budget Applicatic		REVISED Budget Application		
		Budget Details	Total Budget by groups	Budget Details	Total Budget by groups	Totals Actual Exps to Date
Ppd: Rebasing-Legal						
Ogilvy Renault	Budget - Correspondence relate to application	1,600		3,000		
	Budget - Review of Process to be followed	-		1,500		
Total Ppd:Rebasing-Legal Fees -- Budget and Actual Expenditures			**1600**		**4,500**	**2,475**
Ppd: Rebasing-Progm Costs						
	Programming Costs included with consultant fees	-		**-**		
Total Ppd:Rebasing-Progm Costs -- Budget and Actual Expenditures			**0**		**-**	**189**
Ppd: Rebasing-Consultants						
Elenchus	Budget to assist in Preparation of Application	25,000		30,000		
	Budget to assist in Defending Application-IR's (5 days)	5,000		12,650		
	Budget to assist in Technical Conference (2.5 days)	-		6,125		
	Budget to assist in Settlement Process (2.5 days)	-		6,125		
Total cost from Consultant #1			30000		**54,900**	**30,080**
Utility Financial Concepts Inc.	Budget to assist in Preparation of Application	17,000		18,000		
	Budget to assist in Answering IRs (5-10 days)	7,000		7,900		
	Budget to attend Technical Conference/Settlement Process	-		3,800		
	Budget to prepare cost projections of application	-		1,500		
Total cost from Consultant #2			24000		**31,200**	**18,973**
KPMG	Budget to assist in Preparation of Application	2,200		2,200		
	Budget to assist in Defending Application	-		1,500		
Total cost from Auditing Firm			2200		**3,700**	**2,200**
Total Ppd:Rebasing-Consultants for 2008 -- Budget and Actual Expenditures			56200		**89,800**	**51,253**
Ppd: Rebasing-Advertising						
Fergus Elora New Express	Budget to publish original notice	600		600		
Fergus Elora New Express	Budget to publish additional notices	600		600		
Total Ppd:Rebasing-Advertising -- Budget and Actual Expenditures			**1200**		**1,200**	**580**
Ppd: Rebasing-OEB						
Ontario Energy Board	Budget related to application approval	-		N/A		
Ontario Energy Board	Budget for Technical Conference	-		7,500		
Ontario Energy Board	Budget for Settlement Process	-		6,000		
Ontario Energy Board	Budget for Oral Hearing (3 days)	-		N/A		
Total Ppd:Rebasing-OEB -- Budget and Actual Expenditures			**0**		**13,500**	**-**
Ppd: Rebasing-Interveners						
SEC	Cost Awards related IR's	8,000		8,000		
SEC	Cost Awards related to Technical Conf/Settlement Process	-		5,000		
VECC	Cost Awards related IR's	8,000		8,000		
VECC	Cost Awards related to Technical Conf/Settlement Process	-		5,000		
AMPCO	Cost Awards related IR's - NO IR's received	-		-		
AMPCO	Cost Awards related to Technical Conf/Settlement Process	-		-		
Total Ppd:Rebasing-Interveners -- Budget and Actual Expenditures			**16000**		**26,000**	**-**
Ppd: Rebasing-FT Overtime (Account #10.1.110.1180.100.10.000) as at December 31, 2008						
Staffing	Budget to cover incremental cost related to application-Non Mgmt	7,000		7,000		
Staffing	Budget to cover incremental cost related to IR's - Non Mgmt	-		1,000		
Total Ppd:Rebasing-FT Overtime - Incremental Cost related to Overtime -- Budget and Actual Expenditures			**7000**		**8,000**	**6,514**
Ppd: Rebasing-OTCFT						
Staffing-OTCFT	Budget to cover OTCFT cost related to application-Non Mgmt	20,000		20,000		
Staffing-OTCFT	Budget to cover OTCFT cost related to IR's-Non Mgmt	-		-		
Total Ppd:Rebasing-OTCFT Staff hired to assist in Application -- Budget and Actual Expenditures			**20000**		**20,000**	**19,910**
Total Prepayments related to 2009 Rebasing Application			**102000**		**163,000**	**80,920**
	Costs Split over 3 years	3 yrs	**34,000**	3 yrs	**54,333**	
	Costs Split over 4 years	4 yrs	**25,500**	4 yrs	**40,750**	

Board Staff Interrogatory No. 53

Operations, Maintenance & Administrative Expenses

Question:

[Ref: Ex4/T2/S2]

Please identify any one-time expenses in 2009 that could be amortized over a period of more than a single year and suggest an appropriate amortization period for those expenses.

Response:

The Applicant is unable to identify any one-time expenses in 2009 that could be amortized over a period of more than a single year.

The Applicant is requesting an adjustment to expenses in 2008 related to the 2009 Rate Application and is proposing to switch the amortization of the cost to a 4 year versus a 3 year amortization as originally requested.

Board Staff Interrogatory No. 54

Operations, Maintenance & Administrative Expenses

Question:

[Ref: Ex4/T2/S2]

Please confirm that Wellington has no one-time expenses in 2008 that were inadvertently carried over into the 2009 budget. If there are such expenses, please identify the item and provide the dollar amount of the inadvertent carry-over.

Response:

The Applicant has reviewed all one-time expenses in 2008 as requested and is confirming that no one-time expense in 2008 was inadvertently carried over into the 2009 budget.

Board Staff Interrogatory No. 55

Operations, Maintenance & Administrative Expenses

Question:

[Ref: Ex4/T3/S1/Pg2]

Please confirm that charitable donations are not included in the revenues recovered through distribution rates. If they are, please provide the dollar amount and reason why these should be recovered through distribution rates.

Response:

The Applicant hereby confirms that charitable donations were not included in revenues for either the Bridge year or Test year forecasts.

EB-2008-0225

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 Centre Wellington Hydro Ltd. 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: Transition to International Financial Reporting Standards (IFRS)

1. IFRS will replace Canadian GAAP for all publicly accountable enterprises effective January 1, 2011.

(a) Please describe any processes and procedures taken by CWHL to date to facilitate the transition.

Response:

Centre Wellington Hydro's Vice President/Treasurer has attended meetings coordinated by the OEB, the CGA, and their auditor's, KPMG. Centre Wellington Hydro is working within Cornerstone Hydro Electric Concepts (CHEC) to utilize synergies between 12 small to medium size LDC's in relation to the IFRS cutover deadline of 2011.

(b) Please advise whether CWHL has conducted or is planning to conduct any study to identify and assess the potential impact on its regulatory accounting and reporting systems upon transitioning to IFRS reporting standards. If yes, please specify.

Response:

Centre Wellington Hydro has reviewed their current financial package and while it is still being supported by the software provider, the software provider is not putting in new funding to provide upgrades to meet future requirements. Centre Wellington Hydro has made the decision to migrate to the Cayenta Financial system, which we have been assured will be fully compatible with IFRS. The Cayenta Financial's will also provide us with a number of other features that will enhance our reporting

system. We are currently negotiating with the software provider to guarantee that it will be able to provide financial statements in both IFRS and GAAP format. Centre Wellington Hydro has included costing in the application to upgrade the financial system.

Centre Wellington Hydro has not factored in consultant fees or any other costs related to the implementation of IFRS into the 2009 rate application as the dollar amount is unknown at this time. We may be seeking a "Variance or Deferral Account" from the OEB in which to record those costs that have not been applied for.

(c) Choice of Accounting Policy: Upon transition from Canadian GAAP to IFRS, the utility now has the one-time opportunity to evaluate its current general-purpose financial reporting and make accounting policy decisions that could have a material impact on its future financial reporting. It implies that the utility could start a new even if its currently applied account policy is deemed to be appropriate under IFRS. It also implies that the choice of accounting policy and presentation of financial statements in conformity with IFRS will require management to make judgments and justify certain assumptions. Please advise whether this applies to CWHL.

Response:

An adequate reply to this question is not available at this time as Centre Wellington Hydro does not have the knowledge required to answer it.

(d) Cost of Conversion. Costs include both one-time upfront cost (for example, the establishment of multiple sets of books, integration of IFRS requirements into the utility's accounting and reporting systems for both internal and external reporting, IT costs etc) and on-going cost (for example, costs related to expanded disclosure requirements). Please advise of any such conversion costs that are anticipated.

Response:

Centre Wellington Hydro has included conversion and training costs related to migrating to the Cayenta Financial system, which we have been assured, will meet the needs of IFRS. However, Centre Wellington Hydro is not able to quantify the cost to do a full implementation of IFRS.

General: Revenue Requirement

Question 2:

Please provide the approved revenue requirement for 2006, 2007 & 2008.

Response:

The approved revenue requirement for 2006 is $2,611,446 consisting of $2,520,990 of Base Revenue Requirement plus $90,456 transformer allowance which needs to be added onto revenue requirement for full rate recovery.

The 2007 Incentive Rate Mechanism increased the 2006 approved rates by an adjustment of 1.92%. This would have the effect of increasing the 2006 approved rates by $50,140 to $2,661,586 for 2007.

The approved Base Revenue Requirement for 2008 per the 2008 Incentive Rate Mechanism was $2,605,181.

General: Revenue Requirement

Question 3:

Ref: Ex 2/1/3/pg4 Account # 3500 – Distribution Expenses – Operation: When comparing 2007 actual to 2006 actual spending, CWHL identifies an increase of $38,185 due primarily to the reallocation of existing staff labours and overheads to assist in the smart meter selection process.

(a) Please identify the account that shows an offsetting decrease in costs related to the reallocation of staff labour hours.

Response:

The accounts that show an offsetting decrease are primarily in Account group 3550 – Distribution Expenses – Maintenance.

General: Revenue Requirement

Question 4:

Ref: Ex 2/1/3/pg7: Account #3550 – Distribution Expenses – Maintenance: When comparing 2008 to 2007 actual spending, CWHL identifies the following factors contributing to the increase of $43,487:

(i) $8300 increase in the time allocated to the cost of maintenance supervision and engineering to meet the new ESA standards. Does this mainly represent a reallocation of the associated cost? If yes, what account would show an offsetting decrease?

(ii) $22,000 increase in material and labor allocated to upgrades to maintenance of poles towers and fixtures. What is the amount for increased labor? Does this represent an incremental increase of labor cost (for example, new hires) or is this just a reallocation between different accounts?

Response:

i. Yes, it does represent a reallocation of associated cost. When labour cost increases in one area during budget deliberations, another account(s) decreases by the same amount because CWHL when preparing its budget looks at the total man hours available. If additional labour cost is required it is budgeted as over-time hours; over-time hours generally stay the same from year to year, however, they could be allocated to different accounts. Labour costs budgeted in 2008 for account 5114 decreased by approximately the same amount as 5105 increased.

ii. The increase of $22,000 in the upgrades to maintenance of poles towers and fixtures includes an increase of $6,500 for labour costs allocated to this account in 2008. This represents non-incremental labour cost and again would represent time taken from one account and reallocated to a different account. Projects completed in 2007 are not always repeated in the following year. CWHL reviews all maintenance, operation and capital projects each year and determines where it is best suited to allocate time to.

Rate Base – Fixed Assets

Question 5:

Ref a: Ex 2/2/1/pg4
Ref b: Ex 2/1/2/pg1
Ref c: Ex 2/2/2/pg2
Ref d: Ex 2/2/3/pg1
Ref e: Ex 2/2/3/pg 15
Ref f: Ex 2/2/5/pg1

(a) 2009 NBV balance: The amount is shown as $6,859,362 in Ref a, $6,898,562 in Ref b, Ref d and Ref f. Please reconcile or advise which one is correct.

Response:

The correct 2009 NBV for the Rate Application as submitted on August 15, 2008 is $6,898,562 as shown in reference “b”, “d” and “f”.

(b) 2009 Gross Assets balance: The amount is shown as $15,764,996 in Ref a, $15,804,996 in Ref c & Ref d, and $15,759,996 in Ref d. Please reconcile or advise which one is correct.

Response:

The correct 2009 Gross Asset for the Rate Application as submitted on August 15, 2008 is $15,804,996 as shown in reference “c” and “d”.

Capital Plan

Question 6:

Ref: Ex 2/3/1/pg 20 – 2009 capital addition. New padmount underground transformers ordered in 2008 will be delivered to CWHL in 2009. Total amount is $183,700. Please confirm that these transformers will be installed and put into rate base in 2009.

Response:

Yes, all of these transformers will be delivered in 2009 and be put into rate base. Some of these transformers have been committed for certain installations in 2009. The remaining transformers are to build up Centre Wellington Hydro inventory in the event they are required for unexpected failures. Transformers are treated as capital as soon as they are acquired.

Capital Plan

Question 7:

Ref: Ex 2/3/3/pg1 – Asset Retirements

(a) Please advise the salvage value (by asset category) associated with the asset retirements over the past 4 years.

Response:

The salvage value of retired assets by asset category for the last four years is as presented in the table below.

Gain On Disposal of Utility & Other Property - Account #4355

Related Capital Asset Account	**2004**	**2005**	**2006**	**2007**
1850-Transformers	$ (250.00)	$ (649.85)	$ (1,339.50)	$ (2,000.00)
1915-Office Furniture & Equipment	$ -	$ -	$ -	$ (66)
1920-Computer Equipment-Hardware		$ (50)	$ -	$ -
1930-Transportation Equipment	$ (35,418)		$ -	$ (36,320)
1940-Tools, Shop & Garage Equipment	$ -	$ -	$ -	$ -
1950-Power Operated Equipment	$ -	$ -	$ -	$ -
TOTAL	$ (35,668)	$ (700)	$ (1,340)	$ (38,386)

Loss On Disposal of Utility & Other Property - Account #4360

Related Capital Asset Account	**2004**	**2005**	**2006**	**2007**
1850-Transformers				
1915-Office Furniture & Equipment	$ -	$ -	$ -	$ -
1920-Computer Equipment-Hardware	$ 777		$ -	$ -
1930-Transportation Equipment		$ 1,161	$ -	$ -
1940-Tools, Shop & Garage Equipment	$ -	$ -	$ -	$ -
1950-Power Operated Equipment	$ -	$ -	$ -	$ -
TOTAL	$ 777	$ 1,161	$ -	$ -

(b) Which account was the realized salvage value booked under?

Response:

The realized salvage value of retired assets was posted to account 4355 - Gain on Disposal of Utility & Other Property or 4360 – Loss on Disposal of Utility & Other Property.

Customer Forecast

Question 8:

Ref: Ex 3/2/2/pg1

Table 1 of Ex 3/2/2/pg1

	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Estimated	2009 Normalized
Residential	5163	5319	5400	5467	5510	5522	5710
Yr/yr % Change – Residential	3.5%	3%	1.5%	1.2%	0.8%	0.2%	3.4%
GS<50KW	615	627	624	640	673	673	687
Yr/yr % Change – GS<50	-1.4%	2%	-0.5%	2.6%	5.2%	0%	2.1%
GS>50KW	52	55	52	50 (or 52?)	55	56	53
Yr/yr % Change – GS>50	4%	5.8%	-5.5%	-3.8%	10% (or 5.77%)	1.8%	-5.4%

CWHL states that its customer forecasts were based on a trend forecast for annual customers based on the average customer additions from 2003 to 2007.

A. Residential:

(a) It appears that the estimated number of residential customers in 2008 was based on the simple 5-year growth average of 0.2% from 2003 – 2007. Please confirm.

(b) Please advise the methodology that CWHL has used to calculate the 2009 forecasted Residential customers.

B. GS<50KW:

(c) 2008 customer growth rate for GS<50 class is shown as 0%, which does not appear to be a simple average of the historical year results. Please explain.

(d) Please explain how was the 2.1% growth rate for 2009 was calculated.

(e) On page 2 of Ex 3/2/6, CWHL states that the GS<50 customer growth rate for 2008 – 2009 "appears normal". Historical and forecast growth rates from the period 2003 – 2009 vary significantly. Please explain why is this "normal".

C. GS>50KW:

(f) 2006 Actual number of customers: please confirm whether it is 50 (as per Ex3/2/2/pg1) or 52 (as per Ex 3/2/2/pg2), as this affects the calculation of year

over year growth rate. Please confirm whether the 2007 growth rate is 10% (as per Ex 3/2/2/pg1) or 5.77% (Ex 3/2/6/ pg 1, or as per Ex3/2/2/pg2).

(g) There is a decrease in the number of customers for 2009 in this rate class. CWHL has stated that the customer growth rate over this period "appears normal". Please explain.

Response:

Preamble:

The applicant inadvertently put the wrong Table in Exhibit 3 Tab 2 Schedule 1 Page 1 of 2. The corrected table shows the average annual number of active customer connections in each class for 2002 – 2007. For 2008 – 2009, forecasts are based on the average customer additions from 2003 to 2007.

Corrected Table:

Customers by Class
Table 1

	2002	2003	2004	2005	2006	2007	2008 Bridge	2009 Test
Residential	4,879	5,087	5,236	5,364	5,435	5,494	5,601	5,710
% Change		4.3%	2.9%	2.4%	1.3%	1.1%	1.9%	1.9%
General Service Less Than 50 kW	623	615	615	621	629	662	674	687
% Change		-1.3%	0.0%	1.0%	1.3%	5.2%	1.9%	1.9%
General Service 50 to 2,999 kW	50	53	52	52	52	53	53	53
% Change		6.0%	-1.9%	0.0%	0.0%	1.9%	0.0%	0.0%
General Service 3,000 to 4,999 kW	4	3	2	2	1	1	1	1
% Change		-25.0%	-33.3%	0.0%	-50.0%	0.0%	0.0%	0.0%
Unmetered Scattered Load	2	2	2	2	2	2	2	2
% Change		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sentinel Lighting	32	32	32	34	35	35	35	35
% Change		0.0%	0.0%	6.3%	2.9%	0.0%	0.0%	0.0%
Street Lighting	1,585	1,602	1,631	1,658	1,658	1,658	1,658	1,658
% Change		1.1%	1.8%	1.7%	0.0%	0.0%	0.0%	0.0%

A. Residential:

(a) Please see the above revised table showing a forecasted growth in Residential customers of 1.9% for 2008. The estimated number of residential customers in

2008 shown in Exhibit 3, Tab 2, Schedule 2, page 2 was based on the number of customers during the first part of 2008. This revision to the table included in the Application document does not impact the revenue requirement.

(b) The forecasted Residential customers of 5,710 in 2009 is based on 1.9% growth from 2007 actual in each of 2008 and 2009. The 1.9% growth rate is the average annual growth in customers from 2003-2007.

B. GS<50KW:

(c) Please see the above revised table showing a growth rate of 1.9% for the 2008 GS<50 class.

(d) As in (c), the answer should be 1.9%, as calculated by taking the average growth over 2003 to 2007 {e.g., (662 / 615) -1 = 7.6% and divided by 4 for four years of growth = 1.9%}

(e) The revised Table 1 above indicates that the growth rate for 2008 and 2009 at 1.9% is normal. The growth in 2007 was due primarily to two factors: first – an industrial park development and second – bulk metered customer changed to individual meters.

C. GS>50KW:

(f) The "2006 actual" number of customers in this class should be 52 as shown in Exhibit 3, Tab 2, Schedule 2, page 2. Exhibit 3, Tab 2, Schedule 2, page 1 was incorrect incorrectly submitted, please see revised schedule above for the "average number of active customer connections in each class and a trend forecast for annual customers based on the average customer additions from 2003 and 2007".

(g) The revised table indicates that this customer class will remain stable as long as economic conditions do not affect the customer base. The Applicant currently has only one customer in this class.

Load Forecast

Question 9:

Ref: Ex 3/2/9/pg1 – page 10 of "Weather Normalization System Load Forecast"
On page 10 of the "Weather Normalization System Load Forecast" summary, CWHL states that its KW load forecast values are based on the KW/KWh ratio **in 2007**.

a) Please confirm whether the forecast of KW for non-weather sensitive classes (GS>50, Streetlights, Sentinel Lights) is based on a review of the historical ratio of KW to KWhs and applying the average ratio to the forecasted KWh to produce the required KW.

Response:

The description on page 10 of the ERA Report in Ex2/2/9 states:

> *"Class kW forecast values (where applicable) are calculated by determining an annual kW/kWh ratio and multiplying this ratio by the forecast kWh in the year. Forecast values are based on the kW/kWh ratio in 2007."*

We can confirm that forecast kW for non-weather sensitive classes of Centre Wellington Hydro have been determined by using the kW/kWh ratio in 2007. The description on pages 2-3 of the report is incorrect.

OM&A Costs

Question 10:

Ref: Ex 4/2/2/pg2 – 2006 Board Approved vs. 2006 Actual, Operations

(a) Account # 5005 – Operation Supervision & Engineering: 2006 actual spending was $26,447 or 60% greater than the approved EDR amount ($44,403). CWHL explains that this was due to the shift of hours from Account # 5105 (Maintenance Supervision & Engineering) to this category. 2006 actual spending in Account # 5105 was reduced by only $13,570 compared to the approved 2006 figure. Please explain the remaining variance of $30,833.

Response:

The tables below set out the variance in the spending levels for the 2006 EDR vs. 2006 Actual spending as shown in the 2009 Rate Application.

	2006 EDR (2004 Spending level)	Difference 2004 & EDR	Increase spending 2005	Increase spending 2006	Actual Expenditures 2006	Variance 2006 EDR to 2006 Actual
Total Operations	175,881	(1,830)	28,718.93	15,552.94	218,322	(42,441)
Expenditures explained:						-
5005-OP Supervision & Engineering	44,403	-	7,966	18,481	70,850	(26,447)
5010-Load Dispatching	8,258	-	3,275	1,354	12,887	(4,629)
5065-Meter Expense	49,992	(1,830)	7,873	(1,938)	54,097	(4,105)
5095-OH Dist Lines & Fdrs-Rental Pd	4,159	-	(1,999)	6,559	-	4,159
5096-Other Rent	-	-	-	-	8,719	(8,719)
	106,812	(1,830)	17,115	24,456	146,553	(39,741)

Total Maintenance	258,340		28,316	(39,572)	247,085	11,255
Expenditures explained:						-
5105-Mtce Supervision & Eng	55,630		(4,242)	(9,327)	42,060	13,570
	55,630	-	(4,242)	(9,327)	42,060	13,570

	2006 EDR (2004 Spending level)	Difference 2004 & EDR	Increase spending 2005	Increase spending 2006	Actual Expenditures 2006	Variance 2006 EDR to 2006 Actual
Comparison of 5005 to 5105:						
5005-OP Supervision & Eng	44,403	-	7,966	18,481	70,850	(26,447)
5105-Mtce Supervision & Eng	55,630		(4,242)	(9,327)	42,060	13,570
	(11,227)	-	12,208	27,808	28,790	(12,877)

The explanation in Exhibit 4, Tab 2, Schedule 2 page 2 states that the overall increase in spending in 5005-Operations Supervision & Engineering of $26,447 is due to more hours spent preparing for the ESA audit and implementation of the ESA standards. This statement is correct, however the increase is only partially offset by a decrease spending in 5105-Maintenance Supervision & Engineering of $13,570.

The additional increase spending in 5005-Operation Supervision and Engineering of $12,877 for labour and overheads is offset by a decrease spending in labour & overhead expenditures in Capital and/or Operations and/or Maintenance. Centre Wellington Hydro is limited in the total number of labour hours that can be divided amongst the various Capital, Operations and Maintenance jobs due to the fact that our line crew and supervision employee numbers have not increased. Where there is a reduced spending in one account the labour and overhead expenditures are increased in another account.

OM&A Costs

Question 11:

Ref: Ex 4/2/2/pg5 -- 2006 Board Approved vs. 2006 Actual, Admin & General

(a) Account # 5665 – Misc. General Expenses: 2006 actual spending was $125,209 less than 2006 approved amount. CWHL explains that the low voltage of $152,520 was included in 2006 EDR but not in 2006 actuals. Excluding the low voltage adjustment, 2006 actual spending was greater than 2006 EDR by $27,310. Please confirm whether the amount was all related to the remuneration adjustment for the directors.

Response:

In 2006 the shareholder reviewed the remuneration of the directors and adjusted it accordingly for inflation and based on a survey of other like-size utilities. The directors had not had a remuneration adjustment since the amalgamation in January, 1999. The total amount of this adjustment was $11,394 as shown in the table below.

	2004 Actual Expenses	EDR Adjustment LV	2006 EDR Balance	Increase spending 2005	Increase Spending 2006	Actual Expenses 2006	Variance 2006 EDR to 2006 Actual
Account 5655-A&G:Misc Gen Expenses	$ 42,407	$ 152,520	$ 194,927	$ 15,546	$ 11,764	$ 69,717	$ (125,210)
Expenditures explained:							$ -
Less: LV Charges		$ 152,520	$ 152,520				$ 152,520
Net increase in expenses from 2004 to 2006:	$ 42,407	$ -	$ 42,407	$ 15,546	$ 11,764	$ 69,717	$ 27,310
Increases in expenditure 2005 & 2006:							
Corp Membership/Corp Dues				$ 13,607	$ 2,315		$ 15,922
Misc Other				$ 228	$ (289)		$ (61)
Directors Fees & Remuneration				$ 1,270	$ 10,125		$ 11,394
Directors Travel/Conf				$ 442	$ (387)		$ 55
Total increase in spending over 2004 Expenditures	$ 42,407	$ -	$ 42,407	$ 15,546	$ 11,764	$ 69,717	$ 27,310

OM&A Costs

Question 12:

Ref: Ex 4/2/2/pg6 – 2007 vs. 2006, Operations

(a) Account # 5005 – Operation Supervision and Engineering. The variance is $26,361, or 37% increase. CWHL explains that this was partly due to the increased time transferred from Account # 5105 (Maintenance Supervision & Engineering) as a result of additional time spent to meet ESA requirement. Account # 5105 has actually shown a decrease of $13 in 2007, an amount not significant enough to prove a re-allocation of hours spent. Please explain.

Response:

The Applicant agrees that the increase spending in account 5005-Operations Supervision & Engineering of $26,361 is not because of reallocation of labour from account 5105-Maintenance Supervision & Engineering; however, it is because of a reallocation of labour and overheads from another account. As previously stated in question 10, an increase in labour and associated cost in one account is a direct offset to labour and associated costs in another account. Centre Wellington Hydro is limited in the total number of labour hours that can be divided amongst the various Capital, Operations and Maintenance jobs due to the fact that our line crew and supervision employee numbers has not increased. Where there is an increase cost of labour in one account, the labour and associated costs decrease in another account.

The increased labour being allocated to account 5005-Operations Supervision & Engineering is the result of additional ESA requirements being imposed on the LDC. Again, for each additional hour spent in this area, it means that the corresponding hour is not spent elsewhere. Also in 2007, Centre Wellington Hydro hired an Engineering firm for the amount of $2,040 to assist with the work required to comply with the new requirements.

OM&A Costs

Question 13:

Ref: Ex 4/2/2/pg12 – 2008 vs. 2007, Maintenance

(a) Account # 5125 – Maintenance of Overhead Conductors and Devices: CWHL states that all small primary conductors will have to be replaced to reduce line losses. Please advise the percentage of conductors that are budgeted for replacement under 2008 spending of $51,800.

Response:

The percentage of conductors that are budgeted for replacement under 2008 spending of $51,800 is less than 5% of total system.

OM&A Costs

Question 14:

Ref: Ex 4/2/2/pg 17 – 2009 vs. 2008, Community Relations

(a) Account # 5415 – Energy Conservation

(i) What is the duration of the proposed energy conservation plan?

(ii) Is the proposed $5300 additional spending covering the entire duration of the plan or is it only covering 2009 spending?

Response:

(a) Account 5415 – Energy Conservation

i. The duration of the proposed energy conservation plan is for 2008 to 2010.

ii. The proposed $5,300 additional spending is for 2009. Initial response to the work we have done this year has been extremely positive. It is anticipated a similar amount may also be required for 2010.

OM&A Costs

Question 15:

Ref: Ex 4/2/2/pg18 – 2009 vs. 2008, Admin & General Expenses

(a) Account #5610, 5615, 5620: CWHL has provided for a general increase in general expenses such as travel, conferences, etc, "to keep abreast with changes in the industry". What is the % increase budgeted for in these accounts?

Response:

The table below sets out the % increase budgeted for account #5610, 5615 and 5620 as requested.

	2008 Bridge Year	2009 Test Year	Variance 2008 vs 2009	% Increase
Percentage Change as requested:				
5610-A&G Mgmt Salaries & Exps	$ 257,000	$ 263,800	$ 6,800	2.65%
5615-A&G Gen Adm Salaries & Exps	$ 188,000	$ 191,400	$ 3,400	1.81%
5620-A&G:Office Supplies	$ 42,700	$ 49,200	$ 6,500	15.22%
	$ 487,700	$ 504,400	$ 16,700	3.42%

This table below breaks down the "5620-A&G:Office Supplies" to show where the increases take place. As all the expenditures are under the materiality threshold of $19,752, no further explanation has been provided.

	2008 Bridge Year	2009 Test Year	Variance 2008 vs 2009	% Increase
Breakdown of increase in 5620-A&G:Office Supplies				
A&G:Travel Expenses	$ 700	$ 1,100	$ 400	57.14%
A&G:Bank Service/Charges	$ 10,500	$ 11,000	$ 500	4.76%
A&G:Subscriptions/Books/Bulletins	$ 200	$ 1,000	$ 800	400.00%
A&G:Small Office Equipment	$ 500	$ 1,000	$ 500	100.00%
A&G:Comm Services/Telephone	$ 7,400	$ 8,100	$ 700	9.46%
A&G:Stationary/Printing/Postage	$ 5,500	$ 7,000	$ 1,500	27.27%
A&G:Computer Expenses	$ 16,500	$ 16,500	$ -	0.00%
A&G:Courier/Delivery Chgs	$ 400	$ 500	$ 100	25.00%
A&G:Misc Expenses	$ 1,000	$ 3,000	$ 2,000	200.00%
Total Expenses	$ 42,700	$ 49,200	$ 6,500	15.22%

Cost Allocation

Question 16:

Ref. Ex. 8: please advise what steps CWHL plans to take after 2009 to move the Residential, GS<50kW and GS>50kW rate classes to 100% revenue to cost ratios.

Response:

Centre Wellington hopes that the next rebasing/cost of service application will take into consideration updating the cost allocation and the movement of rate classes closer to revenue to cost ratios that approximate unity.

Rate Design

Question 17:

17. Ref. Ex. 9/1/7- The Bill Impact summaries set out in the pre-filed evidence show that, despite the fact that the Applicant faces a revenue deficiency in the amount of $365,167, the Residential and GS<50kW rate classes face negative rate impacts.

(a) The negative rate impacts for the Residential and GS<50kW rate classes appear to result from the fact that their respective revenue to cost ratios are falling (from 106.5% to 103% for Residential, and from 109.7% to 106.6% for GS<50kW). Please confirm that this is the case.

Response:

The Gross Revenue Deficiency as submitted was $216,645 and not $365,167 as stated above.

Centre Wellington confirms that the revenue to cost ratios for the classes in question are being reduced in this rate application and both are receiving a smaller proportion of the allocation of the total revenue compared to the existing rates.

(b) The revenue to cost ratio for the GS>50-2,999kW rate class is also falling, from 114.91% to 112.82%, yet the distribution bill impacts for this rate class range from an 11% increase for larger users within the class to 41.7% for smaller users [Ref. Ex. 9/1/7, pg. 3]. Please explain the large rate impacts for this rate class.

Response:

Although there is a movement in the Revenue to cost ratio toward 100% this class will receive the same proportion of total revenue as the existing rates. Since there is a revenue deficiency the amount of revenue to this class will in fact increase resulting in various bill impacts depending on the volumes for each customer within the class. Also see response to part d) below.

(c) Please expand Table 3 on pg. 2 ("Allocation of Outstanding Base Revenue Requirement Plus Transformer Allowance") to include revenue by class based on existing rates and the 2008 revenue requirement.

Response:

Although the approved revenue requirement for 2008 per the 2008 IRM was $2,605,181, the 2008 distribution revenue at existing rates using the 2008 load forecast resulted in distribution revenues of $2,656,848 as shown in the table below.

Customer Class Name	Total Base Revenue Requirement	Transformer Allowance Recovery	Low Voltage Revenue Required	Gross Base Revenue Requirement	2008 Revenue Requirement
Residential	$1,544,673		$ 29,326	$ 1,573,999	$ 1,543,668
General Service Less Than 50 kW	$ 479,621		$ 12,595	$ 492,216	$ 487,074
General Service 50 to 2,999 kW	$ 531,238	$ 58,940	$ 36,851	$ 627,029	$ 530,613
General Service 3,000 to 4,999 kW	$ 89,042	$ 25,908	$ 11,451	$ 126,401	$ 81,065
Unmetered Scattered Load	$ 10,959		$ 231	$ 11,190	$ 7,491
Sentinel Lighting	$ 2,027		$ 21	$ 2,049	$ 418
Street Lighting	$ 82,193		$ 525	$ 82,717	$ 6,519
TOTAL	$2,739,753	$ 84,849	$ 91,000	$ 2,915,601	$ 2,656,848

(d) Table 3 at Ex. 8/1/2, pg. 4 appears to show that the proportion of base revenue from the GS>50kW rate class, 19.39%, is unchanged from existing rates. Table 2 on the same exhibit, however, shows that the revenue to cost ratio for this rate class is being lowered from 115% to 113%, which implies that the proportion of total revenue from the class should come down. Please explain.

Response:

The revenue to cost ratio of 115% in the Cost Allocation filing reflects the volumetric share of the GS 50-2999 kW rate class used in that filing, which used 2004 weather-normalized data. The revenue to cost ratio of 113% in this rate application reflects the volumetric share of the GS 50-2999 kW rate class according to the 2009 load forecast. Because of differences in the base load data, it is possible for revenue to cost ratios to change slightly over time even when distribution rates remain unchanged. The same result occurs if distribution rates are changed but the proportion of total revenue realized from a given rate class remains the same, as is proposed in the Application.

The proportion of revenue allocated to each class has a direct impact on the revenue to cost ratio for those classes. Once the Revenue is allocated to the rate classes in the 'Rate Application" columns, it is then compared to an allocation of the total revenue at the proportions from the "Cost Allocation" Informational filing resulting in the Revenue to cost Ratios as set out in the table below. This methodology is consistent with the Cost Allocation Informational filing.

Customer Class Name	Cost Allocation	Rate Application	Cost Allocation	Rate Application	R/C Ratio
Residential	54.74%	56.38%	$ 1,499,702	$ 1,544,673	1.03
General Service Less Than 50 kW	16.42%	17.51%	$ 449,838	$ 479,621	1.07
General Service 50 to 2,999 kW	17.19%	19.39%	$ 470,885	$ 531,238	1.13
General Service 3,000 to 4,999 kW	3.72%	3.25%	$ 101,993	$ 89,042	0.87
Unmetered Scattered Load	0.36%	0.40%	$ 9,778	$ 10,959	1.12
Sentinel Lighting	0.16%	0.07%	$ 4,482	$ 2,027	0.45
Street Lighting	7.41%	3.00%	$ 203,074	$ 82,193	0.40
TOTAL	100.00%	100.00%	$ 2,739,753	$ 2,739,753	1.00

(e) Please explain why the proportion of total revenue from GS>50kW rate class would remain the same given that the number of customers in the rate class is projected to decrease from 56 in 2008 to 53 in 2009 [Ex 3/2/2/pg1]. Has CWHL simply spread the revenue to be derived from the GS>50 rate class across a smaller base of customers, resulting in a much larger distribution rate impact for this class than other rate classes?

Response:

Centre Wellington's objective following the determination of the revenue requirement was to attempt to bring all customer classes closer to unity from a revenue to cost perspective. As explained in the response to part d), the allocation of the Proposed Revenue was chosen to reflect a positive movement in the revenue to cost ratios for each class.

(f) Please demonstrate that the increase in the monthly fixed charge for the GS>50kW rate class is revenue neutral- i.e. it is offset by lower volumetric distribution rate such that, absent an increase to account for the revenue deficiency, there would be no increase in revenue from the class.

Response:

In the following table, the "No Revenue Deficiency" column indicates the revenue that would have been achieved from the class with the increased monthly service charge and absent an overall revenue deficiency. The table also follows the same approach to revenue allocation and rate design used in the Application:

GS 50-2999 kW Rate Class	***Existing Rates***	***No revenue deficiency***	***change***
Number of customers	53	53	
Fixed monthly charge *	$41.96	$130.45	
Months per year	12	12	
Revenue from monthly charges	26,687	82,966	56,280
Billed kW's	166,526	166,526	
kW volumetric rate	$2.9804	$2.6424	
Revenue from variable charges	496,314	440,034	(56,280)
Class Revenue from Distribution Charges	523,001	523,001	0
% from fixed charges	5.10%	15.86%	10.76%
% from variable charges	94.90%	84.14%	-10.76%
Gross Revenue from Distribution Charges	2,696,957	2,696,957	0
% realized from Class	19.39%	19.39%	0.00%

** Excluding smart meter rate rider*

Rate Design

Question 18:

Ref. Ex. 9: The fixed service charge for the GS>50-2,999kW rate class is being increased substantially over the existing level.

(a) Please provide the avoided cost for the GS>50kW rate class.

Response:

The avoided cost for the GS 50 to 2,999 kW rate class from the Cost Allocation Informational filing is $72.36. Centre Wellington has not updated the cost allocation model to determine the avoided cost based on the 2009 Rate Application.

(b) Please provide the "upper bound" for this rate class as defined in the Board's Report on Cost Allocation for Electricity Distributors.

Response:

The upper bound for this rate class from the Cost Allocation Informational Filing is $130.45

(c) Did CWHL consider a more gradual transition to the new fixed monthly charge so as to smooth the transition for smaller users within the class, some of which face distribution rate increases in 2009 of almost 42%?

Response:

Centre Wellington went through many options for all of its rate classes while developing this rate application and finally rested on a set of rates it felt were fair and reasonable, all circumstances considered. It was also felt that this rate class previously had a very small fixed charge compared to many other LDCs in the province.

Centre Wellington Hydro Limited (CWHL)

2009 Electricity Rate Application

Board File No. EB-2008-0225

VECC's Interrogatories

Question #1

Reference: i) Exhibit 1/Tab 1/Schedule 7
ii) Exhibit 2/Tab 1/Schedule 3, page 9 (lines 15-21)

a) Please describe what CWHL's current understanding is as to when it will receive authorization to start installing smart meters.

b) Please describe what, if any, activities CWHL has undertaken to date in preparation for such authorization and what the associated costs incurred (and reported in the Smart Meter variance accounts)

Response:

a) CWHL has received authorization to begin the smart meter deployment.

CWHL participated in the London smart meter RFP along with almost all the remaining LDC's in the province. CWHL received a letter from the fairness commissioner (Mr. Peter Sorensen) dated August 1, 2008 indicating who our first and second Preferred Proponents are.

CWHL immediately began negotiations with our number 1 proponent. Unfortunately, the vendor would not provide us with firm pricing. The Fairness Commissioner was notified, and we began negotiations with our number 2 proponent (Elster Metering).

It is our intention to begin smart meter deployment by the middle of 2009.

b) CWHL has obtained the final pricing from Elster, completed a propagation study and is currently in the process of working through an installation RFP with other members of the group. Included in the smart meter variance account at the end of 2007 was $25,778 related to our selection costs as referred to in question "a" above.

Question #2

Reference: i) Exhibit 1/Tab 1/Schedule 8, page 2
ii) Exhibit 5/Tab 1/Schedule 3, page 1

a) What is rationale for selecting 3 years as the recovery period for deferral accounts 1508, 1550, 1584 and 1586?

Response:

The rationale for selecting three years as the recovery period for the deferral account is that it will provide a smoothing affect on total bill impact over the next three years.

The Applicant looked at the bill impacts of the rate riders for one, two and three years and selected the three year period. Residential and GS<50 kW classes without the rate rider showed a decrease in distribution rates, however the rate rider for three years resulted in rate reductions for these two classes on the total bill impact. The three year recovery, besides giving these customers a total bill reduction in year one, also allowed a smoothing affect over the next two years. The Applicant felt this was the better choice for the customer. Copies of what the rider would be over one or two years have been included with the OEB Board Staff Interrogatory #10.

Question #3

Reference: i) Exhibit 1/Tab 1/Schedule 9

a) Please provide a schedule that sets out the derivation of 2009 Net Revenues. For Distribution Service revenues please provide the rates and volumes used and confirm whether:
   - The fixed charges included the smart meter rate adder
   - The variable charges included any adder for LV cost recovery
   - The variable charges provided for the transformer ownership allowance discount where applicable.

Response:

Centre Wellington Hydro — **2009 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES**

Customer Class Name	** Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Rate	per	Volume	Variable Charge Revenue	TOTAL
Residential	$13.01	5,710	891,445	$0.0153	kWh	45,046,630	689,213	1,580,659
General Service Less Than 50 kW	$13.69	687	112,860	$0.0177	kWh	21,809,071	386,021	498,881
General Service 50 to 2,999 kW	$41.96	53	26,687	$2.9804	kW	166,526	496,314	523,001
General Service 3,000 to 4,999 kW	$558.01	1	6,696	$1.6740	kW	43,874	73,445	80,141
Unmetered Scattered Load	$14.29	2	343	$0.0177	kWh	400,443	7,088	7,431
Sentinel Lighting	$0.46	35	193	$1.7575	kW	122	214	408
Street Lighting	$0.16	1,658	3,183	$1.0613	kW	3,066	3,254	6,437
Gross Revenue (before Transformer Allowances)			1,041,408				1,655,549	2,696,957
Transformer Allowances *				($0.6000)	kW	141,415	(84,849)	(84,849)
Total Revenue			1,041,408				1,570,700	2,612,108
Low Voltage *							(89,000)	(89,000)
DISTRIBUTION REVENUE			1,041,408				1,481,700	**2,523,108**
SSS Charges								**21,335**
								2,544,443
4082-Retail Services Revenues							12,120	
4084-Service Transaction Requests (STR) Revenues							302	
4210-Rent from Electric Property							15,493	
4225-Late Payment Charges							10,373	
4235-Miscellaneous Service Revenues							120,120	
4325-Revenues from Merchandise, Jobbing, Etc.							3,000	
4390-Miscellaneous Non-Operating Income							1,700	
4405-Interest and Dividend Income							86,585	
Add Back Deferral Account Interst Expense to A/C 4405							64,415	
								314,108
Total Net Revenues per Exhibit 1 Tab 1 Schedule 9								**2,858,551**

*** See Adjustments for Transformer allowance and Low Voltage above**
**** Also note the Fixed Rates Do Not include the Smart Meter Rate Adder**

Question #4

Reference: i) Exhibit 1/Tab 1/Schedules 11-13

a) Please provide copies of all prior Board decisions regarding CWHL's rates.

Response:

Attached are the OEB rate decisions for Centre Wellington Hydro for 2006 – RP-2005-0020, 2007 – EB-2007-0516 and 2008 – EB-2007-0814 as requested.

Ontario Energy Board

Commission de l'Énergie de l'Ontario

RP-2005-0020
EB-2005-0348

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 Center Wellington Hydro Ltd. for an order or orders approving or fixing just and reasonable distribution rates and other charges, effective May 1, 2006.

BEFORE: Paul Vlahos
Presiding Member

Bob Betts
Member

DECISION AND ORDER

Center Wellington Hydro Ltd. ("CWHL" or the "Applicant") is a licensed distributor providing electrical service to consumers within its defined service area. The Applicant filed an Application (the "Application") with the Ontario Energy Board (the "Board") for an order or orders approving or fixing just and reasonable rates for the distribution of electricity and other matters, to be effective May 1, 2006.

The Applicant is one of over 90 electricity distributors in Ontario that are regulated by the Board. To streamline the process for the approval of distribution rates and charges for these distributors, the Board developed and issued the 2006 Electricity Distribution Rate Handbook (the "Handbook") and complementary spreadsheet-based models. These materials were developed after extensive public consultation with distributors, customer groups, public and environmental interest groups, and other interested parties. The Handbook contains requirements and guidelines for filing an application. The models determine the amounts to be included for the payments in lieu of taxes

("PILs") and calculate rates based on historical financial and other information entered by the distributor.

Also included in this process was a methodology and model for the final recovery of regulatory assets flowing from the Board's decision dated December 9, 2004 on the Review and Recovery of Regulatory Assets – Phase 2 for Toronto Hydro, London Hydro, Enersource Hydro Mississauga and Hydro One Networks Inc. In Chapter 10 of the decision, the Board outlined a Phase 2 process for the remaining distributors. By letter of July 12, 2005, the Board provided guidance and a spreadsheet-based model to the distributors for the inclusion of this recovery as part of their 2006 distribution rate applications.

As a distributor that is embedded in Hydro One Network's low voltage ("LV") system, the Applicant has included the recovery of certain Regulatory Assets that have been allocated by Hydro One Networks. The amount claimed by the Applicant was provided by Hydro One Networks as a reasonable approximation of the actual amount that Hydro One Networks will assess the Applicant. To the degree that the amount differs from the actual amount approved for Hydro One Networks in another proceeding (RP-2005-0020/EB-2005-0378), this difference will be reconciled at the end of the Regulatory Asset recovery period, as set out in the Phase II regulatory assets decision issued on December 9, 2004 (RP-2004-0064/RP-2004-0069/RP-2004-0100/RP-2004-0117/RP-2004-0118).

In its preliminary review of the 2006 rate applications received from the distributors, the Board identified several issues that appeared to be common to many or all of the distributors. As a result, the Board held a hearing (EB-2005-0529) to consider these issues (the "Generic Issues Proceeding") and released its decision (the "Generic Decision") on March 21, 2006. The rulings flowing from that Generic Decision apply to this Application, except to the extent noted in this Decision. The Board notes that pursuant to ss. 21 (6.1) of the *Ontario Energy Board Act, 1998*, and to the extent that it is pertinent to this Application, the evidentiary record of the Generic Issues Proceeding is part of the evidentiary record upon which the Board is basing this Decision.

In December 2001, the Board authorized the establishment of deferral accounts by the distributors related to the payments that the distributors make to the Ministry of Finance in lieu of taxes. The Board is required, under its enabling legislation, to make an order with respect to non-commodity deferral accounts once every twelve months. The Board has considered the information available with respect to these accounts and orders that the amounts recorded in the accounts will not be reflected in rates as part of the Rate Order that will result from this Decision. The Board will continue to monitor the accounts with a view to clearing them in due course.

Public notice of the rate Application made by the Applicant was given through newspaper publication in its service area. The evidence filed was made available to the public. Interested parties intervened in the proceeding. The evidence in the Application was tested through written interrogatories from Board staff and intervenors, and intervenors and the Applicant had the opportunity to file written argument. While the Board has considered the entire record in this proceeding, it has made reference in this Decision only to such evidence and argument as is necessary to provide context to its findings.

The Applicant has requested an amount of $3,165,929 as revenue to be recovered through distribution rates and charges. Included in this amount is a debit of $196,159 for the recovery of regulatory assets. Except where noted in this Decision, the Board finds that CWHL has filed its Application in accordance with the Handbook and the guidelines for the recovery of regulatory assets.

Notwithstanding the CWHL's general compliance with the Handbook and associated models, in considering this Application the Board reviewed the following matters in detail:

- Low Voltage Rates;
- Unmetered Scattered Load;
- Adjustment to Ontario Capital Tax ("OCT") exemption; and
- Impact of the Generic Decision (EB-2005-0529).

Low Voltage Rates

CWHL included in its Application recovery of ongoing Low Voltage ("LV") charges that Hydro One Networks will be levying on CWHL for Low Voltage wheeling distribution services provided to CWHL.

The Board notes that this estimate reflects Hydro One Networks' current approved LV rate of $0.56/kW. The Board further notes that Hydro One Networks applied for an LV

rate of $0.63/kW in its 2006 rate application RP-2005-0020/EB-2005-0378, and the Board has approved this rate.

The Board is of the view that the LV adjustment that CWHL has included in its Application is insufficient to recover its expected LV charges in 2006, as this amount does not reflect the updated Hydro One Networks rate. Although the Generic Decision provides that embedded distributors are to track differences between LV costs charged by the host distributor(s) and corresponding revenues recovered from ratepayers, the Board seeks to minimize systemic sources of variance. The Board is of the view that CWHL's rates should reflect the LV rates authorized by the Board for the host distributor. Accordingly, the Board has revised the amount for LV charge recovery in CWHL's revenue requirements.

Unmetered Scattered Load

Currently the Applicant does not have a separate USL sub-classification, but includes the accounts in its General Service < 50 kW sub-class. The billing is on a per customer basis. To ensure consistency with the rate schedules of other electricity distributors, the Board finds that a separate sub-class for USL should be created. This will be billed in the same manner as the General Service < 50 kW sub-class, including the billing on a per customer basis. This rate design change will not affect the revenue requirement of the Applicant. Details of the new rate are included in the Tariff of Rates and Charges.

Adjustment to Ontario Capital Tax ("OCT") exemption

In calculation of the proxy for 2006 OCT, CWHL has adjusted the OCT tax exemption from $10 million to $5 million. In its response to a Board staff interrogatory, CWHL indicated that according to its auditor, the OCT exemption for 2004 is $5 million, and for 2006 it will be $10 million. The OCT deduction of $5 million was used by CWHL its 2004 tax filing.

The Board notes that the $10 million is based on the requirement of the Handbook. With respect to tax rates and exemptions to be used in the 2006 PILs Model, section 7.1 of the Handbook states:

"*The 2006 OEB Tax Model and the 2006 Handbook guidelines relating to PILs are based upon tax rates and rules that, as of May 1, 2005, are reasonably expected by the Board to be in effect during the 2006 rate year."*

As the 2006 OCT exemption in effect is $10 million, the Board finds that $10 million should be used to calculate the OCT proxy for 2006, and has adjusted the 2006 OCT proxy calculation accordingly.

Consequences of the Generic Decision on this Application

The Generic Decision contains findings relevant to funding for smart meters for electricity distributors. The Applicant did file a specific smart meter plan in the revenue requirement. In this situation, the Generic Decision provides that an amount determined as $3.50 per meter per month installed during the rate year be reflected in the Applicant's revenue requirement, instead of the smart meter-related costs proposed by the Applicant. As there is a variance account, and for simplicity, the Board has not made any distinction for purposes of setting rates between the meter costs for residential and non-residential customers. Consequently, the amounts that the Applicant has proposed in the 2006 rate Application have been removed and replaced with the amount determined in accordance with the Generic Decision. Furthermore, the Board finds that in this Decision that this smart meter revenue will be allocated to all metered customers and recovered through the monthly service charge. The revised amount is reflected in the approved monthly service charges contained in the Tariff of Rates and Charges appended to this Decision. Pursuant to the Generic Decision, a variance account will be established, the details of which will be communicated in due course.

Resulting Revenue Requirement

As a result of the Board's determinations on these issues, the Board has adjusted the revenue requirement to be recovered through distribution rates and charges to $3,125,668 and a debit of $196,159 for regulatory assets recovery.

In its letter of December 20, 2004 to electricity distributors, the Board indicated that it would consider the disposition of the 2005 OEB dues recorded in Account 1508 in this proceeding. However, given that the final 2005 OEB dues are not available because of the difference in fiscal years for the Board and the distributors, and given that the model used to develop the Application does not incorporate this provision, the Board will review and dispose of the 2005 OEB dues at a later time.

Cost Awards

This Application is one of a number of applications before the Board dealing with 2006 rates chargeable by distributors. Intervenors may be parties to multiple applications and, if eligible, their costs associated with a specific distributor may not be separable.

Therefore, for these applications, the matter of intervenor cost awards will be addressed by the Board at a later date, upon the conclusion of the current rate applications. If an intervenor that is eligible to recover its costs is able to uniquely identify its costs associated with this Application, it must file its cost claim within 10 days from the receipt of this Decision.

THE BOARD ORDERS THAT:

1) The Tariff of Rates and Charges set out in Appendix "A" of this Order is approved, effective May 1, 2006, for electricity consumed or estimated to have been consumed on and after May 1, 2006. The application of the revised distribution rates shall be prorated to May 1, 2006. If Center Wellington Hydro Ltd.'s billing system is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors shall be implemented upon the first subsequent billing for each billing cycle.

2) The Tariff of Rates and Charges set out in Appendix "A" of this Order supersedes all previous distribution rate schedules approved by the Ontario Energy Board for Center Wellington Hydro Ltd., and the rates and charges are final in all respects.

3) Center Wellington Hydro Ltd. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, April, 12 2006.

ONTARIO ENERGY BOARD

John Zych
Board Secretary

Appendix “A”

RP-2005-0020
EB-2005-0348

April 12, 2006

ONTARIO ENERGY BOARD

Centre Wellington Hydro Ltd.
TARIFF OF RATES AND CHARGES
Effective May 1, 2006

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

RP-2005-0020
EB-2005-0348

APPLICATION

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.
- No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

EFFECTIVE DATES

DISTRIBUTION RATES - May 1, 2006 for all consumption or deemed consumption services used on or after that date.
SPECIFIC SERVICE CHARGES - May 1, 2006 for all charges incurred by customers on or after that date.
LOSS FACTOR ADJUSTMENT – May 1, 2006 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

SERVICE CLASSIFICATIONS

Residential
This classification is for single dwelling units with separate metering, detached, semi-detached, triplex, etc.

General Service Less Than 50 kW
This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW.

General Service 50 to 2,999 kW
This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 50 to 1,000 kW non-interval metered
General Service 50 to 1,000 kW interval metered
General Service greater than 1,000 to 3, 000 kW interval metered.

General Service 3,000 to 4,999 kW
This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 3,000 kW but less than 5,000 kW.

Unmetered Scattered Load
This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption.

Sentinel Lighting
This classification refers to an account that is an unmetered lighting load supplied to a sentinel light where consumption is based on connected load.

Street Lighting
This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template.

Centre Wellington Hydro Ltd.
TARIFF OF RATES AND CHARGES
Effective May 1, 2006

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

RP-2005-0020
EB-2005-0348

MONTHLY RATES AND CHARGES

Residential

Service Charge	$	13.39
Distribution Volumetric Rate	$/kWh	0.0151
Regulatory Asset Recovery	$/kWh	0.0013
Retail Transmission Rate – Network Service Rate	$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0065
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Regulated Price Plan – Administration Charge	$	0.25

General Service Less Than 50 kW

Service Charge	$	14.06
Distribution Volumetric Rate	$/kWh	0.0174
Regulatory Asset Recovery	$/kWh	0.0012
Retail Transmission Rate – Network Service Rate	$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0058
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Regulated Price Plan – Administration Charge	$	0.25

General Service 50 to 2,999 kW

Service Charge	$	41.89
Distribution Volumetric Rate	$/kW	2.9333
Regulatory Asset Recovery	$/kW	0.7802
Retail Transmission Rate – Network Service Rate	$/kW	1.7472
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	2.3231
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	1.8479
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	2.5484
Retail Transmission Rate – Network Service Rate – Interval Metered >1,000kW	$/kW	1.8457
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered >1,000kW	$/kW	2.5692
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Regulated Price Plan – Administration Charge (if applicable)	$	0.25

General Service 3,000 to 4,999 kW

Service Charge	$	549.78
Distribution Volumetric Rate	$/kW	1.6476
Regulatory Asset Recovery	$/kW	(0.2421)
Retail Transmission Rate – Network Service Rate	$/kW	1.9541
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	2.7399
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Regulated Price Plan – Administration Charge (if applicable)	$	0.25

Centre Wellington Hydro Ltd.
TARIFF OF RATES AND CHARGES
Effective May 1, 2006

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

RP-2005-0020
EB-2005-0348

Unmetered Scattered Load		
Service Charge (per customer)	$	14.06
Distribution Volumetric Rate	$/kWh	0.0174
Regulatory Asset Recovery	$/kWh	0.0012
Retail Transmission Rate – Network Service Rate	$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0058
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Regulated Price Plan – Administration Charge	$	0.25
Sentinel Lighting		
Service Charge (per connection)	$	0.46
Distribution Volumetric Rate	$/kW	1.7297
Regulatory Asset Recovery	$/kW	0.4887
Retail Transmission Rate – Network Service Rate	$/kW	1.3244
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.8335
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Regulated Price Plan – Administration Charge (if applicable)	$	0.25
Street Lighting		
Service Charge (per connection)	$	0.16
Distribution Volumetric Rate	$/kW	1.0445
Regulatory Asset Recovery	$/kW	(0.2625)
Retail Transmission Rate – Network Service Rate	$/kW	1.3177
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.7959
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Regulated Price Plan – Administration Charge (if applicable)	$	0.25
Specific Service Charges		
Customer Administration		
Arrears Certificate	$	15.00
Request for Other Billing Information	$	15.00
Easement Letter	$	15.00
Notification Charge	$	15.00
Account History	$	15.00
Returned Cheque (Plus Bank Charges)	$	15.00
Charge to Certify Cheque	$	15.00
Legal Letter Charge	$	15.00
Account Set up Charge/Change of Occupancy Charge (Plus Credit Agency Costs If Applicable)	$	30.00
Special Meter Reads	$	30.00
Meter Dispute Charge Plus Measurement Canada Fees (If Meter Found Correct)	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account Charge – No Disconnection	$	30.00
Collection of Account Charge – No Disconnection – After Regular Hours	$	165.00
Disconnect/Reconnect Charge – At Meter – During Regular Hours	$	65.00
Disconnect/Reconnect Charge – At Meter – After Hours	$	185.00
Disconnect/Reconnect Charge – At Pole – During Regular Hours	$	185.00
Disconnect/Reconnect Charge – At Pole – After Hours	$	415.00

Centre Wellington Hydro Ltd.
TARIFF OF RATES AND CHARGES
Effective May 1, 2006

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

RP-2005-0020
EB-2005-0348

Install/Remove Load Control Device – During Regular Hours	$	65.00
Install/Remove Load Control Device – After Regular Hours	$	185.00
Service Call – Customer-Owned Equipment	$	30.00
Service Call – After Regular Hours	$	165.00
Temporary Service Install & Remove – Overhead – No Transformer	$	500.00
Temporary Service Install & Remove – Underground – No Transformer	$	300.00
Temporary Service Install & Remove – Overhead – With Transformer	$	1000.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

Allowances

Transformer Allowance for Ownership - per kW of billing demand/month	$	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0472
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0367
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

Ontario Energy Board

Commission de l'énergie de l'Ontario

EB-2007-0516

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 Centre Wellington Hydro Ltd. for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2007.

BEFORE: Paul Sommerville
Presiding Member

Paul Vlahos
Member

Ken Quesnelle
Member

DECISION AND ORDER

Centre Wellington Hydro Ltd. ("Centre Wellington") is a licensed distributor providing electrical service to consumers within its licensed service area. Centre Wellington filed an application with the Ontario Energy Board (the "Board") for an order or orders approving or fixing just and reasonable rates for the distribution of electricity and other charges, to be effective May 1, 2007.

Centre Wellington is one of 85 electricity distributors in Ontario that are regulated by the Board. To streamline the process for the approval of distribution rates and charges for these distributors, the Board issued its *Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors* (the "Report") on December 20, 2006. The Report contained the relevant guidelines for 2007 rate adjustments ("the guidelines") for distributors applying for rates only on the basis of the

cost of capital and 2nd generation incentive regulation mechanism policies set out in the Report.

Public notice of Centre Wellington's rate application was given through newspaper publication in Centre Wellington's service area. The evidence filed as part of the rate application was made available to the public. Both Centre Wellington and interested parties had the opportunity to file written submissions in relation to the rate application. The Board received no submissions. While the Board has considered the entire record in this rate application, it has made reference only to such evidence as is necessary to provide context to its findings.

Centre Wellington's rate application was filed on the basis of the guidelines. In fixing new rates and charges for Centre Wellington, the Board has applied the policies described in the Report.

After confirming the accuracy of the 2006 rate tariff and accompanying materials submitted in the rate application, the Board applied its approved price cap index adjustment to distribution rates (fixed and variable) uniformly across all customer classes. The price cap index is calculated as a price escalator less an X-factor of 1.0%, intended to represent input price and productivity trends. Based on the final 2006 data published by Statistics Canada, the Board has established the price escalator to be 1.9%. The resulting price cap index adjustment is therefore 0.9%.

The price cap index adjustment was not applied to the following components of the rates:

- the specific service charges;
- the regulatory asset recovery rate rider; and
- the smart meter rate adder (an amount in the fixed components of the rates associated with smart meter cost recovery).

Centre Wellington requested an amount for smart meter costs. The Board has approved an amount of $0.27 per month per metered customer. Centre Wellington's variance accounts for smart meter program implementation costs, previously authorized by the Board, are continued. It is the Board's understanding that Centre Wellington will not be undertaking any smart metering activity (i.e. discretionary metering activity) in 2007. The amount collected through the smart meter rate adder will be booked into the

existing variance accounts, and retained in those accounts, to help fund future smart meter activity. As the notice of this application indicated, the Board will be holding a combined proceeding to consider, among other things, appropriate recovery of smart meter costs.

The Board has made the necessary adjustments to Centre Wellington's filed 2006 Tariff of Rates and Charges to produce a new Tariff of Rates and Charges to be effective May 1, 2007. The Board finds the rates and charges in the Tariff of Rates and Charges attached as Appendix A to this decision to be just and reasonable.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix A of this order is approved, effective May 1, 2007, for electricity consumed or estimated to have been consumed on and after May 1, 2007.

2. The Tariff of Rates and Charges set out in Appendix A of this order supersedes all previous distribution rate schedules approved by the Ontario Energy Board for Centre Wellington, and is final in all respects.

3. Centre Wellington shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, April 12, 2007.

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

Appendix A

EB-2007-0516

April 12, 2007

ONTARIO ENERGY BOARD

Centre Wellington Hydro Ltd.
TARIFF OF RATES AND CHARGES
Effective May 1, 2007

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2007-0516

APPLICATION

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.
- No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

EFFECTIVE DATES

DISTRIBUTION RATES - May 1, 2007 for all consumption or deemed consumption services used on or after that date.
SPECIFIC SERVICE CHARGES - May 1, 2007 for all charges incurred by customers on or after that date.
LOSS FACTOR ADJUSTMENT – May 1, 2007 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

SERVICE CLASSIFICATIONS

Residential
This classification is for single dwelling units with separate metering, detached, semi-detached, triplex, etc.

General Service Less Than 50 kW
This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW.

General Service 50 to 2,999 kW
This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 50 to 1,000 kW non-interval metered
General Service 50 to 1,000 kW interval metered
General Service greater than 1,000 to 3, 000 kW interval metered.

General Service 3,000 to 4,999 kW
This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 3,000 kW but less than 5,000 kW.

Unmetered Scattered Load
This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption.

Sentinel Lighting
This classification refers to an account that is an unmetered lighting load supplied to a sentinel light where consumption is based on connected load.

Street Lighting
This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template.

Centre Wellington Hydro Ltd.
TARIFF OF RATES AND CHARGES
Effective May 1, 2007

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2007-0516

MONTHLY RATES AND CHARGES

Residential

Service Charge	$	13.19
Distribution Volumetric Rate	$/kWh	0.0152
Regulatory Asset Recovery	$/kWh	0.0013
Retail Transmission Rate – Network Service Rate	$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0065
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service Less Than 50 kW

Service Charge	$	13.86
Distribution Volumetric Rate	$/kWh	0.0176
Regulatory Asset Recovery	$/kWh	0.0012
Retail Transmission Rate – Network Service Rate	$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0058
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service 50 to 2,999 kW

Service Charge	$	41.94
Distribution Volumetric Rate	$/kW	2.9597
Regulatory Asset Recovery	$/kW	0.7802
Retail Transmission Rate – Network Service Rate	$/kW	1.7472
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	2.3231
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	1.8479
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	2.5484
Retail Transmission Rate – Network Service Rate – Interval Metered >1,000kW	$/kW	1.8457
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered >1,000kW	$/kW	2.5692
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service 3,000 to 4,999 kW

Service Charge	$	554.40
Distribution Volumetric Rate	$/kW	1.6624
Regulatory Asset Recovery	$/kW	(0.2421)
Retail Transmission Rate – Network Service Rate	$/kW	1.9541
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	2.7399
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Centre Wellington Hydro Ltd.
TARIFF OF RATES AND CHARGES
Effective May 1, 2007

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2007-0516

Unmetered Scattered Load		
Service Charge (per customer)	$	14.19
Distribution Volumetric Rate	$/kWh	0.0176
Regulatory Asset Recovery	$/kWh	0.0012
Retail Transmission Rate – Network Service Rate	$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0058
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25
Sentinel Lighting		
Service Charge (per connection)	$	0.46
Distribution Volumetric Rate	$/kW	1.7453
Regulatory Asset Recovery	$/kW	0.4887
Retail Transmission Rate – Network Service Rate	$/kW	1.3244
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.8335
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25
Street Lighting		
Service Charge (per connection)	$	0.16
Distribution Volumetric Rate	$/kW	1.0539
Regulatory Asset Recovery	$/kW	(0.2625)
Retail Transmission Rate – Network Service Rate	$/kW	1.3177
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.7959
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25
Specific Service Charges		
Customer Administration		
Arrears Certificate	$	15.00
Request for Other Billing Information	$	15.00
Easement Letter	$	15.00
Notification Charge	$	15.00
Account History	$	15.00
Returned Cheque (Plus Bank Charges)	$	15.00
Charge to Certify Cheque	$	15.00
Legal Letter Charge	$	15.00
Account Set up Charge/Change of Occupancy Charge (Plus Credit Agency Costs If Applicable)	$	30.00
Special Meter Reads	$	30.00
Meter Dispute Charge Plus Measurement Canada Fees (If Meter Found Correct)	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account Charge – No Disconnection	$	30.00
Collection of Account Charge – No Disconnection – After Regular Hours	$	165.00
Disconnect/Reconnect Charge – At Meter – During Regular Hours	$	65.00
Disconnect/Reconnect Charge – At Meter – After Hours	$	185.00
Disconnect/Reconnect Charge – At Pole – During Regular Hours	$	185.00
Disconnect/Reconnect Charge – At Pole – After Hours	$	415.00

Centre Wellington Hydro Ltd.
TARIFF OF RATES AND CHARGES
Effective May 1, 2007

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

		EB-2007-0516
Install/Remove Load Control Device – During Regular Hours	$	65.00
Install/Remove Load Control Device – After Regular Hours	$	185.00
Service Call – Customer-Owned Equipment	$	30.00
Service Call – After Regular Hours	$	165.00
Temporary Service Install & Remove – Overhead – No Transformer	$	500.00
Temporary Service Install & Remove – Underground – No Transformer	$	300.00
Temporary Service Install & Remove – Overhead – With Transformer	$	1000.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0472
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0367
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

Ontario Energy Board

Commission de l'énergie de l'Ontario

Ontario

EB-2007-0814

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 Centre Wellington Hydro Ltd. pursuant to section 78 of the Ontario Energy Board Act seeking approval to amend electricity distribution rates.

BEFORE: Paul Vlahos
Presiding Member

Paul Sommerville
Member

RATE ORDER

Centre Wellington Hydro Ltd. ("Centre Wellington") is a licensed distributor of electricity providing service to consumers within its licensed service area. Centre Wellington filed an application with the Ontario Energy Board (the "Board") for an order or orders approving or fixing just and reasonable rates for the distribution of electricity and other charges, to be effective May 1, 2008.

On March 14, 2008, the Board issued its Decision (the "Decision") regarding Centre Wellington's application.

The Board directed that Centre Wellington file with the Board a proposed Tariff of Rates and Charges reflecting the Board's Decision, within 7 days of the date of the Decision.

Centre Wellington has provided the Board with a proposed Tariff of Rates and Charges.

The Board is satisfied that the document accurately reflects the Decision.

For completeness of the regulated charges, the Board has included in the Tariff of Rates and Charges the charges pertaining to services provided to retailers or consumers regarding the supply of competitive electricity, which are referenced in Chapter 12 of the 2006 Electricity Distribution Rate Handbook.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix “A” of this Rate Order is approved, effective May 1, 2008, for electricity consumed or estimated to have been consumed on and after May 1, 2008.

2. The Tariff of Rates and Charges set out in Appendix “A” of this Order supersedes all previous distribution rate schedules approved by the Board for Centre Wellington and is final in all respects.

3. Centre Wellington shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, April 21, 2008
ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix “A”
To The Rate Order Arising from Decision
EB-2007-0814
Centre Wellington Hydro Ltd.

April 21, 2008

Centre Wellington Hydro Ltd.
TARIFF OF RATES AND CHARGES
Effective May 1, 2008

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2007-0814

APPLICATION

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.
- No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

EFFECTIVE DATES

DISTRIBUTION RATES - May 1, 2008 for all consumption or deemed consumption services used on or after that date.
SPECIFIC SERVICE CHARGES - May 1, 2008 for all charges incurred by customers on or after that date.
RETAIL SERVICE CHARGES – May 1, 2008 for all charges incurred by retailers or customers on or after that date.
LOSS FACTOR ADJUSTMENT – May 1, 2008 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

SERVICE CLASSIFICATIONS

Residential
This classification is for single dwelling units with separate metering, detached, semi-detached, triplex, etc.

General Service Less Than 50 kW
This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW.

General Service 50 to 2,999 kW
This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 50 to 1,000 kW non-interval metered
General Service 50 to 1,000 kW interval metered
General Service greater than 1,000 to 3, 000 kW interval metered.

General Service 3,000 to 4,999 kW
This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 3,000 kW but less than 5,000 kW.

Unmetered Scattered Load
This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption.

Sentinel Lighting
This classification refers to an account that is an unmetered lighting load supplied to a sentinel light where consumption is based on connected load.

Street Lighting
This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template.

Centre Wellington Hydro Ltd.
TARIFF OF RATES AND CHARGES
Effective May 1, 2008

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2007-0814

MONTHLY RATES AND CHARGES

Residential

Service Charge	$	13.28
Distribution Volumetric Rate	$/kWh	0.0153
Retail Transmission Rate – Network Service Rate	$/kWh	0.0039
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0062
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service Less Than 50 kW

Service Charge	$	13.96
Distribution Volumetric Rate	$/kWh	0.0177
Retail Transmission Rate – Network Service Rate	$/kWh	0.0035
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0055
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service 50 to 2,999 kW

Service Charge	$	42.23
Distribution Volumetric Rate	$/kW	2.9804
Retail Transmission Rate – Network Service Rate	$/kW	1.4327
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	2.2069
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	1.5153
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	2.4210
Retail Transmission Rate – Network Service Rate – Interval Metered >1,000kW	$/kW	1.5135
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered >1,000kW	$/kW	2.4407
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service 3,000 to 4,999 kW

Service Charge	$	558.28
Distribution Volumetric Rate	$/kW	1.6740
Retail Transmission Rate – Network Service Rate	$/kW	1.6024
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	2.6029
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Unmetered Scattered Load

Service Charge (per customer)	$	14.29
Distribution Volumetric Rate	$/kWh	0.0177
Retail Transmission Rate – Network Service Rate	$/kWh	0.0035
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0055
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Centre Wellington Hydro Ltd.
TARIFF OF RATES AND CHARGES
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EB-2007-0814

Sentinel Lighting

Service Charge (per connection)	$	0.46
Distribution Volumetric Rate	$/kW	1.7575
Retail Transmission Rate – Network Service Rate	$/kW	1.0860
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.7418
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Street Lighting

Service Charge (per connection)	$	0.16
Distribution Volumetric Rate	$/kW	1.0613
Retail Transmission Rate – Network Service Rate	$/kW	1.0805
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.7061
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Specific Service Charges

Customer Administration		
Arrears Certificate	$	15.00
Request for Other Billing Information	$	15.00
Easement Letter	$	15.00
Notification Charge	$	15.00
Account History	$	15.00
Returned Cheque (Plus Bank Charges)	$	15.00
Charge to Certify Cheque	$	15.00
Legal Letter Charge	$	15.00
Account Set up Charge/Change of Occupancy Charge (Plus Credit Agency Costs If Applicable)	$	30.00
Special Meter Reads	$	30.00
Meter Dispute Charge Plus Measurement Canada Fees (If Meter Found Correct)	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account Charge – No Disconnection	$	30.00
Collection of Account Charge – No Disconnection – After Regular Hours	$	165.00
Disconnect/Reconnect Charge – At Meter – During Regular Hours	$	65.00
Disconnect/Reconnect Charge – At Meter – After Hours	$	185.00
Disconnect/Reconnect Charge – At Pole – During Regular Hours	$	185.00
Disconnect/Reconnect Charge – At Pole – After Hours	$	415.00
Install/Remove Load Control Device – During Regular Hours	$	65.00
Install/Remove Load Control Device – After Regular Hours	$	185.00
Service Call – Customer-Owned Equipment	$	30.00
Service Call – After Regular Hours	$	165.00
Temporary Service Install & Remove – Overhead – No Transformer	$	500.00
Temporary Service Install & Remove – Underground – No Transformer	$	300.00
Temporary Service Install & Remove – Overhead – With Transformer	$	1000.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Centre Wellington Hydro Ltd.
TARIFF OF RATES AND CHARGES
Effective May 1, 2008

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EB-2007-0814

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0472
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0367
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

Question #5

Reference: i) Exhibit 1/ Tab 2/ Schedule 10

a) The application states that the capital budget process begins with a review of accounts and the previous year's work. Does CWHL identify and factor the condition of its assets and the requirement for future expansion/system upgrades into its capital budgeting process? If yes, how is this done?

Response:

CWHL applies a systematic and comprehensive planning process based on the condition, age, good utility practices, safety factors, line loss conditions, growth and development pressures of the existing electrical plant and equipment.

From the constant monitoring of our substation feeders, combined with our knowledge of the functions of our existing distribution system, CWHL considers the load and voltage to prioritize the system improvements for the following year.

In conjunction with this, CWHL liaises with the Township engineers to ensure we are kept apprised of any potential new developments that may happen within the next three to five years.

Question #6

Reference: Exhibit 1/Tab 3/Schedule 1, Attachment
Exhibit 1/Tab 3/Schedule 2, Attachment

a) Both the 2006 (page 11) and 2007 (page 13) Financial Statements make reference to CWHL providing water and sewage billing and collection services as well as providing street lighting maintenance services. Will the provision of such services continue in 2008 and 2009?

Response:

Yes, this service will continue for 2008 and 2009 because it is in the best interest of the customer as both the utility and the PUC are required to run duplicate systems. For the distribution customers, this activity is revenue neutral, because all expenses and revenues are recorded in non-utility activities and are not taken into the revenue requirements for the Applicant

b) If the response to (a) is yes, please indicate the following:
- Where is the "revenue" captured under Other Distribution Revenue (Exhibit 3/Tab 1/Schedule 2, page 1) and how much is it for 2006, 2007, 2008 and 2009?
- How are the charges for these services determined and where are the costs reported in Exhibit 4/Tab 2/Schedule 1? What are the estimated O&M costs for 2006, 2007, 2008 and 2009 associated with these services?
- Does the provision of these services involve usage of CWHL's assets? If so, how the rates charged for the services recover the cost asset usage?

Response:

The revenue is not captured in Exhibit 3, Tab 1 Schedule 2, page 1 because revenues and expenses are treated as non-utility revenues and expenses and are recorded in account 4375 and 4380.

Expenditures are not shown with the OM&A expenditures in Exhibit 4, Tab 2, Schedule 1 because the related expenditures are non-utility expenses and are recorded in account 4380 and not taken into the calculation of revenue requirements.

In completing street lighting activities the municipality is charged for a truck fee for each hour that it is used in that activity. This charge includes depreciation and all related vehicle expenditures. They are also charged for labour, overheads and materials related to the time spent doing street light maintenance. For water and sewer billing the rate per bill includes all billing and collection costs based on a pro-ration between the number of electric customers and the number of municipal

customers. All costs for this service are included in account 4380-Non-Utility Expenses and are not included in the Centre Wellington Hydro revenue requirements.

Question #7

Reference: i) Exhibit 2/Tab 2/Schedule 1, pages 3-4
ii) Exhibit 2/Tab 3/Schedule 1, page17
iii) Exhibit 4/Tab 1/Schedule 2, page 1

a) Reference (i) indicates total 2008 additions of $512,600. However, in reference (ii) the sum of the Jobs < $25,000 ($93,400) and Jobs > $25,000 ($359,200) is only $452,600. Please reconcile.

Response:

a) Please see the table below showing details in a revised format. The unexplained items were all under the $25,000 threshold value.

Jobs listed and explained on page 14 to 17			
08-002	Install 3 ph connection for commerical property on Mill St Elora	$	60,400
08-003	new pole line on new road into industial lands N of Glengarry	$	36,400
08-004	Hwy 6 & McQueen Blvd	$	80,600
08-005	Reframe poles to upgrade conductor	$	34,800
08-xxx	New padmount transformers	$	111,000
08-COMP1	Phase 1 Upgrade to Cayenta Financials	$	36,000
08-COMP2	Purchase Digital filing and search system	$	45,000
08-COMP3	Purchase Cognos Reporting Tool	$	15,000
	Total Explained projects	$	419,200
Items listed in E2 T3 S1 page 17; projects less than $25,000			
08-XXX	Easements at Price Chopper's	$	4,000
08-XXX	Services - all new connections	$	22,900
	Meters	$	15,000
08-XXX	Install new tile at office (1915)	$	20,000
08-XXX	Replacement of existing computers, color printer	$	13,000
08-XXX	New stores equipment	$	1,000
08-XXX	Purchase new power washer with direct outside ventelation and other tools and shop equipment	$	14,000
08-XXX	Purchase new meter testing equipment	$	1,000
08-XXX	Purchase miscellaneous equipment	$	2,500
	Total Listed projects < $25,000	$	93,400
	Total Additions in 2008 - (Exh 2 Tab 2 Sch 1 Pg 4)	$	512,600
Retirements in 2008			
	1915 - Office Furntiture - retired & removed furniture	$	(20,559)
	1920 - Wrote off and disposed comptuers	$	(55,284)
	1940 - Wrote off & disposed of tools, shop & garage equipment	$	(17,955)
	1950 - Wrote off and disposed of power operated equipment	$	(10,720)
	Total Asset Retirements 2008 (Exh 2, Tab 3, Sch 3)	$	(104,518)
	Total Asset 2008 Net of Retirements (Exh 2 Tab 2, Sch 2 Pg 2)	$	408,082

b) Reference (i) shows amortization expense for 2007, 2008 and 2009 of $589,401.4, $671,278.11 and $719,077 respectively. Please reconcile these values with those set out in reference (iii)

Response:

b) Please see the table below showing a reconciliation of Amortization to Amortization Expense for 2007, 2008 and 2009 as requested.

Reconciliation of Amortization to Amortization Expenses			
	2007	**2008**	**2009**
Ex2 T2 S1 Pg 3-4: Amortization	589,401	671,278	719,077
Less: Allocated Depreciation			
Transportation - 1930	77,233	76,748	81,248
Stores - 1935	856	345	445
Sub-total	511,313	594,185	637,384
Adjustments:			
Line Transformers -1850-Incorrect E2 T3 S1			(101,630)
Line Transformers -1850-Corrected E2 T3 S1			102,431
Amortization Expense-E4 T2 S2 page 1	511,313	594,185	638,185

c) With respect to reference (i), why is there no amortization of Contributions and Grants in 2008 or 2009?

Response:

c) There is no amortization on Contributions and Grants in 2008 and 2009 because of an oversight on the Applicant's part, thank you for pointing this out to us. The Applicant has made the appropriate adjustment in the Ratemaker model and has addressed the issue in the Manager's letter.

Question #8

Reference: Exhibit 2/Tab 3/Schedule 1

a) For many capital programs (e.g., #06-027; #06-071; #06-081; #07-060, and #09-002), the need is based on the fact current poles/cables are "old". Please describe how CWHL determines that the age of its assets is such that replacement is required in a particular budget year.

Response:

As previously noted in question #5, CWHL completes regular inspections of all existing infrastructure. It is through these inspections that existing plant is monitored on a yearly basis to prioritize and determine the need for replacement. For example in Job #06-027, the poles were installed in the 1950's and had very small conductor. The age of these assets are identified by "dating nails" on the poles, overall weathering and subdivision records of house construction.

b) How does CWHL determine (per page 11) the number of new transformers it will require each year for budgeting purposes? In responding, please discuss how CWHL determines the number of transformers it will need to replace each year for budgeting purposes?

Response:

By regularly attending development review meetings with the Township engineers, CWHL has a good idea of what projects are slated to move forward within the next year. Through this and preliminary discussions with developers, CWHL will review existing inventory to determine the requirements for the next year. Through transformer inspections, CWHL decides which transformers will need to be replaced i.e. age, condition, damage or loading.

c) What were problems (per page 9) with CWHL's Harris PUBS system? What options/alternatives did CWHL consider before deciding to convert from Harris PUBS to Harris Northstar and on what basis was the selection made.

Response:

The upgrade from the Harris PUBS to Harris NorthStar was an upgrade of the billing system from Harris Computer system. The upgrade from Harris PUBs to Harris NorthStar was to move the billing software program to a window based program and also speed up the processing time in completing the various applications within the billing system. The software supplier has been focusing their attention in making sure that the NorthStar product is fully operational for the implementation of smart meters and the changes that has to take place within the billing to accommodate the larger amounts of data that has to be stored.

NorthStar is one of the leading billing software programs for the utility business which is affordable to CWHL. The options for billing systems, in Ontario, are limited due to the fact that it has to be fully supported for the deregulated market. One of the other major software companies (Advanced) that also provided services to the small to larger utilities sold to Harris Computer Systems because they could no longer compete in the Ontario market because of the increasing regulatory requirements. CWHL has used the Harris billing system (whether it is Harris PUBs or NorthStar) since 1989 and has found that they have met all critical deadlines.

d) What are the reliability issues that determined the Job #08-005 conductor upgrade was required? (per page 14)?

Response:

The reliability issue for this particular job was the existing line was a radial feed. By looping this line with another, it gave CWHL the ability to provide service from an alternate direction in the event of a problem. This dramatically improves reliability and substantially reduces the time for unplanned outages. The original conductor was not of adequate size to carry the load should switching operations be necessary. As well, by increasing the conductor size, this helps in reducing line losses.

e) Was a cost/benefit analysis or business case prepared with respect to purchase of:
   - The Digital Filing and Search System and
   - The Cognos Reporting Tool?

   If yes, please provide.

Response:

The Cognos Reporting Tool has been fully embedded within the NorthStar programs and thus reduces the need for CWHL to hire a computer programmer to write reports to pull out information as needed. Because Cognos is fully embedded within the NorthStar program, Harris Computer Systems will support the product and assist us in writing reports if the need arises. We did look at the Crystal Report writing tool, but as we do not have anyone within the organization who is able to use this product we felt the decision would be better to keep the reporting tool within the Harris family of products.

Over the last few years I have talked to different suppliers of digital filing and search systems, attended work shops and talked to different end users. After careful consideration, Centre Wellington Hydro selected Loris's File Nexus as our digital filing and search system product.

f) Please provide the overall implementation plan (including timelines and costs) for the Financial System upgrade (per pages 15 and 20).

Response:

The overall implementation plan for the financial system upgrade is that the initial contract and starting of the planning session take place in November 2008. Implementation process and timelines are that the project will commence in January 2009. Estimated project completion date is approximately nine months from software installation based on current resource availability.

Conversion process will start in January 2009. Installation/setup will commence December 2008/January 2009. Completion date will be in the fall of 2009 for the financial modules (general ledger, accounts payable, purchasing, payroll and inventory) and the operational modules (fixed assets, work orders, job cost and user portal management) will be implemented in 2010.

CWHL hopes to include the cost of the operational modules for consideration in it's 2010 3rd Generation IRM Rate application.

Question #9

Reference: Exhibit 3/Tab 1/Schedule 2, Attachment 1

a) Please confirm whether the rates used in each year to determine the revenues shown on page 1 include the smart meter rate adder.

Response:

The distribution revenues on this schedule do not include a Smart Meter Rate Adder.

Question #10

Reference: Exhibit 2/Tab 4/Schedule 2, pages 3-4

a) Please update the Power Supply Expense component of the Working Capital calculation to reflect the OEB's October 15th, 2008 cost of power forecast.

Response:

This may have to be updated if the Loss Factor changes. I used the Excel file that had many exhibits created in it. I also had to update the commodity and RTSRs to reflect the new rates since this Excel file was not updated. (Ratemaker G5 E2/T4/S2)

Eligible Distribution Expenses:	2009 @ existing rates	Allowance for Working Capital 15%	2008 Projection	Allowance for Working Capital 15%	2007 Actual	Allowance for Working Capital 15%	2006 Actual	Allowance for Working Capital 15%
3350-Power Supply Expenses		$ -		$ -		$ -		$ -
4705-Power Purchased	$ 9,713,889	$ 1,457,083	$ 8,764,519	$ 1,314,678	$ 8,023,977	$ 1,203,597	$ 6,749,018	$ 1,012,353
4708-Charges-WMS	$ 837,682	$ 125,652	$ 836,248	$ 125,437	$ 619,400	$ 92,910	$ 779,417	$ 116,913
4710-Cost of Power Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4714-Charges-NW	$ 804,223	$ 120,633	$ 577,619	$ 86,643	$ 725,106	$ 108,766	$ 726,814	$ 109,022
4716-Charges-CN	$ 671,915	$ 100,787	$ 907,319	$ 136,098	$ 670,991	$ 100,649	$ 666,001	$ 99,900
4720-Other Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4730-Rural Rate Assistance Expense	$ 161,093	$ 24,164	$ 160,817	$ 24,123	$ 156,366	$ 23,455	$ -	$ -
4750-Charges-LV	$ 91,000	$ 13,650	$ 89,000	$ 13,350	$ 87,086	$ 13,063	$ 52,755	$ 7,913
Total Expenses for Working Capital	**$ 14,026,401**		**$ 13,068,422**		**$ 11,816,910**		**$ 10,460,480**	
Working Capital factor	**15%**		**15%**		**15%**		**15%**	
Working Capital Allowance	**$ 2,103,960**	**$ 2,103,960**	**$ 1,960,263**	**$ 1,960,263**	**$ 1,772,537**	**$ 1,772,537**	**$ 1,569,072**	**$ 1,569,072**

Question #11

Reference: Exhibit 3/Tab 1/Schedule 2, page 1

a) Please explain why "Other Income & Deductions" decreases from $52,746 in 2007 to $4,700 in 2009.

Response:

The Other Income and Deductions decreased from $52,746 in 2007 to $4,700 in 2009 because of the following reasons. In 2007, we had higher than normal revenue from merchandising and jobbing activities. Centre Wellington Hydro disposed of surplus vehicles in 2007 for $36,320 and other miscellaneous equipment for $2,066 and in 2008 we disposed of all other miscellaneous assets that had any value. We also do not anticipate a great deal of scrap materials being sold in 2009.

The table below reflects the activity that results in the changes in "Other Income and Deductions" for the period of 2007 to 2009.

		2007	2008	2009
Other Income & Deductions:				
Revenue from Merchandising & Jobbing	4325	10,647	3,000	3,000
Gain on Disposition of Utility & Other Property	4355	38,386	4,372	-
Miscellaneous Non-Operating Revenue	4390	3,713	1,700	1,700
Total Other Income & Deductions by Year		52,746	9,072	4,700

b) Please provide the 2008 and 2009 rates and volumes used to determine the Distribution Revenues by customer class. Please confirm that these rates:

- Exclude the Smart Meter adder
- Exclude any LV charge adder
- Reflect the Transformer Ownership Allowance when applicable.

Response:

Centre Wellington Hydro confirms that table Exhibit 3, Tab 1, Schedule 2 excludes the Smart Meter adder and excludes the LV charge adder and confirms that the transformer ownership allowance has been reflected where applicable.

2008 Bridge

Customer Class	E3/T1/S2	Customers	kwh	kW	Fixed Charge	Volumetric Charge	Transformer Ownership Allowance kW	Transformer Ownership Allowance $ Allowance	Fixed Revenue	Variable Revenue	Total Revenue
Residential	$ 1,543,668	5,522	44,547,272		$ 13.01	$ 0.0153			$ 862,095	$ 681,573	$ 1,543,668
General Service Less Than 50 kW	$ 487,074	673	21,271,948		$ 13.69	$ 0.0177			$ 110,560	$ 376,513	$ 487,074
General Service 50 to 2,999 kW	$ 383,420	56		168,573	$ 41.96	$ 2.9804	98,235	(0.60)	$ 28,197	$ 443,475	$ 471,672
General Service 3,000 to 4,999 kW	$ 54,409	1		44,426	$ 558.01	$ 1.6740	43,180	(0.60)	$ 6,696	$ 48,461	$ 55,157
Unmetered Scattered Load	$ 7,491	2	403,818		$ 14.29	$ 0.0177			$ 343	$ 7,148	$ 7,491
Sentinel Lighting	$ 418	35		128	$ 0.46	$ 1.7575			$ 193	$ 225	$ 418
Street Lighting	$ 6,519	1,658		3,143	$ 0.16	$ 1.0613			$ 3,183	$ 3,336	$ 6,519
Sub Total	$ 2,482,999										$ 2,571,999
Low Voltage Charges											$ (89,000)
Distribution Revenue	$ 2,482,999										$ 2,482,999

2009 Test

Customer Class	E3/T1/S2	Customers	kwh	kW	Fixed Charge	Volumetric Charge	Transformer Ownership Allowance kW	Transformer Ownership Allowance $ Allowance	Fixed Revenue	Variable Revenue	Total Revenue
Residential	$ 1,544,673	5,710	45,046,630		$ 14.00	$ 0.0136			$ 959,280	$ 614,720	$ 1,574,000
General Service Less Than 50 kW	$ 479,621	687	21,809,071		$ 15.44	$ 0.0167			$ 127,287	$ 364,929	$ 492,216
General Service 50 to 2,999 kW	$ 531,238	53		166,526	$ 130.45	$ 3.2671	98,235	(0.60)	$ 82,966	$ 485,122	$ 568,088
General Service 3,000 to 4,999 kW	$ 89,042	1		43,874	$ 558.28	$ 2.7283	43,180	(0.60)	$ 6,699	$ 93,794	$ 100,493
Unmetered Scattered Load	$ 10,959	2	400,443		$ 16.65	$ 0.0269			$ 400	$ 10,791	$ 11,190
Sentinel Lighting	$ 2,027	35		122	$ 2.72	$ 7.4289			$ 1,142	$ 906	$ 2,049
Street Lighting	$ 82,193	1,658		3,066	$ 2.36	$ 11.6642			$ 46,955	$ 35,763	$ 82,717
Sub Total	$ 2,739,753										$ 2,830,753
Low Voltage Charges											$ (91,000)
Distribution Revenue	$ 2,739,753										$ 2,739,753

Question # 12

Reference: Exhibit 3/Tab 2/Schedule 2

a) Page 1 states that the forecast customer counts are based on the average customer additions from 2003-2007. However, for the Residential, GS<50 and GS 50-2999 the customer growth rates for 2008 and 2009 are significantly different. Please explain more fully how the values set out in this schedule for 2008 and 2009 were determined.

Response:

Preamble:

The Applicant inadvertently put the wrong Table in Exhibit 3 Tab 2 Schedule 1 Page 1 of 2. The corrected table shows the average annual number of active customer connections in each class for 2002 – 2007. For 2008 – 2009, forecasts for Residential, GS<50 and GS 50-2999 are based on the average customer additions from 2003 to 2007. No additional Intermediate, USL, Street Lighting or Sentinel Lighting customers are expected.

Corrected Table:

Customers by Class
Table 1

	2002	2003	2004	2005	2006	2007	2008 Bridge	2009 Test
Residential	4,879	5,087	5,236	5,364	5,435	5,494	5,601	5,710
% Change		4.3%	2.9%	2.4%	1.3%	1.1%	1.9%	1.9%
General Service Less Than 50 kW	623	615	615	621	629	662	674	687
% Change		-1.3%	0.0%	1.0%	1.3%	5.2%	1.9%	1.9%
General Service 50 to 2,999 kW	50	53	52	52	52	53	53	53
% Change		6.0%	-1.9%	0.0%	0.0%	1.9%	0.0%	0.0%
General Service 3,000 to 4,999 kW	4	3	2	2	1	1	1	1
% Change		-25.0%	-33.3%	0.0%	-50.0%	0.0%	0.0%	0.0%
Unmetered Scattered Load	2	2	2	2	2	2	2	2
% Change		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sentinel Lighting	32	32	32	34	35	35	35	35
% Change		0.0%	0.0%	6.3%	2.9%	0.0%	0.0%	0.0%
Street Lighting	1,585	1,602	1,631	1,658	1,658	1,658	1,658	1,658
% Change		1.1%	1.8%	1.7%	0.0%	0.0%	0.0%	0.0%

b) Exhibit 2/Tab 3/Schedule 1 identified a new commercial building being constructed in 2008 (Job #08-002) and new industrial lots being serviced in 2008 (Job #08-003). Into what customer classes will these new commercial and industrial customers fall?

Response:

In Exhibit 2, Tab3, Schedule 1 page 13 of 21, the customers in the new commercial building being constructed in 2008 under Job #08-002 will fall under the GS<50 class. CWHL has been asked by the electrician to energize this service in January 2009 with individual units coming on line later in the year.

Job #08-003 to service the new industrial park will service both GS<50 kW and GS>50 KW depending on who purchases the lots and their business plans. Currently CWHL has one customer in this industrial park and they are a GS<50 kW customer.

Question # 13

Reference: Exhibit 3/Tab 2/Schedule 3

a) Please provide the average (per customer) weather normalized usage for each customer class as determined by Hydro One Networks and used for CWHL's Cost Allocation informational filing and confirm which year the data represents.

b) For the same year, please provide the average (per customer) weather normalized usage for each class using the ERA/CWHL's weather normalization methodology. Please explain the reason for any material differences between these values and those provided in response to part (a).

Response:

The following provides a response to both parts "a" and "b".

Weather normalized average consumption per class is set out in Table 1 at Exhibit 3/Tab 2/Schedule 7, pages 1-2 of the Application, but is reproduced in the table below for ease of reference.

Hydro One undertook analysis to calculate kWh usage by class with normalized weather for 2004 as input to the Cost Allocation informational filing. It should be noted that Hydro One's analysis was based on uplifted (that is, adjusted to include losses) data. The table below presents the weather actual class throughput used by Hydro One for 2004, the actual class throughput for 2004 exclusive of distribution system losses (e.g., retail), and a calculated "implied" loss factor for each class. The table then presents the number of customers for 2004, the Hydro One uplifted normalized average use and the average use adjusted for distribution losses (that is, excluding losses), and the weather normal average use per customer in 2004 from the ERA analysis.

The only class that shows a significant difference between the Hydro One analysis and the ERA analysis is the Residential Class. The ERA analysis shows Residential Class NAC is approximately 2.1% less than the Hydro One analysis. Residential Class consumption is the most weather sensitive load (for example, see response to Board Staff #42). The most likely reason for the difference between the ERA analysis and the Hydro One analysis is that Hydro One used Windsor as the weather station for Centre Wellington whereas ERA used Toronto Pearson. As well, our understanding is that Hydro One uses 31 years of weather whereas ERA has used 10 years of weather. In addition, the ERA and Hydro One methodologies are likely different. We cannot speak to the Hydro One methodology.

Centre Wellington Hydro – 2004 Weather Normal Average Use Per Customer, Comparison of Hydro One and ERA analysis								
	A	**B**	**C = A / B**	**D**	**E**	**F = E / D**	**G = F / C**	**H**
Class	H1 Weather Actual	Actual Retail	Implied Loss	# of cust	H1 Weather Norm (uplifted)	H1 NAC (uplifted)	H1 NAC (not uplifted)	ERA NAC (not uplifted)
Residential	45,340,690	43,665,814	1.038	5,236	45,951,843	8,776	8,452	8,275
GS < 50	21,807,601	20,956,433	1.041	615	22,073,180	35,891	34,490	34,447
GS 50-2999	63,640,696	60,906,157	1.045	52	64,128,836	1,233,247	1,180,256	1,171,272
Int 3000-4999	25,073,677	23,978,633	1.046	2	25,073,677	12,536,839	11,989,316	11,989,317
Street Light	1,172,415	1,122,092	1.045	1,631	1,172,415	719	688	688
Sentinel Light	54,335	48,229	1.127	32	54,335	1,698	1,507	1,507
USL	585,486	333,555	1.755	2	585,486	292,743	166,777	166,778

Consumption units are kWhs.
NAC = Normalized (for weather) Average Use Per Customer.

Question #14

Reference: i) Exhibit 3/Tab 2/Schedule 7
ii) Exhibit 3/Tab 2/Schedule 8

a) Reference (i) reports "average number of customers" in each year while reference (ii) reports year end customer counts. Please reconcile the following:

- Why are the residential and GS<50 average values for 2008 higher than the year end value, if customer counts are increasing annually?

Response:

The table in reference (ii) is incorrectly labelled as year-end. This should read year-to-date.

- Why are the 2009 average and year end values for residential and GS<50 the same?

Response:

The values for 2009 are the average number of customers. The table in reference (ii) is incorrectly labelled.

- For GS 50-2,999, why are the average values the same for 2007-2009 but the year end values are typically higher?

Response:

The values in the table in reference (ii) are incorrect.

Question #15

Reference: Exhibit 3/Tab 2/Schedule 9 – ERA Load Forecast Attachment

a) Page 2 states that the forecast is based on monthly class specific data for January 2002 to December 2007.

- How frequently does CWHL read the meters for its Residential and GS<50 customer classes?

Response:

Centre Wellington reads the meters monthly for all Residential and GS<50 customer classes.

- How was the billing data adjusted to account for the effect of meter reading dates?

Response:

The CIS system has a program that can prorate monthly data. The CIS system looks at the read dates and prorates for the 30 or 31 day period. Therefore, what we were able to use for load forecast was monthly prorated data for all classes.

- Please comment on the validity of simply prorating billing data to account for the effect of meter reading dates, when the weather and/or the occurrence non-holiday weekdays could vary significantly over the period requiring prorating.

Response:

The concern VECC raises is a valid one. Actual consumption data is the most desirable for modelling weather effects on consumption. However, until more advanced metering is deployed and enabled, billing data is the only class specific data available to use for most LDCs. One possible workaround is to use wholesale purchases which represent monthly consumption of the entire LDC. The drawback to this approach is that weather sensitivity is different by class and using wholesale data for weather normalization may wash out some class specific effects and assign effects where they do not exist (to large users, for example).

With respect to Centre Wellington, the regression results suggest that the prorated billing data correlates very well with weather effects. The equation for residential kWh shows a high level of significance for HDD and CDD and the equation itself has an adjusted R-squared of 0.87. Similar results are obtained for GS<50, with an adjusted R-squared of 0.86. In fact, for the Residential class, weather explains more than 80% of the monthly variation, and for the GS<50 class, weather explains almost 80% of the variation. It may be that the problem with billing data VECC raises is an issue more applicable to larger LDCs with tens of thousands, or even hundreds of

thousands of meters. In a smaller LDC like Centre Wellington, the use of billing data in place of actual consumption appears to be much less of an issue.

b) Page 3 indicates that the HDD and CDD data used was from that reported at the Pearson International Airport. Are there no weather stations closer to Centre Wellington that could have been used instead?

Response:

Given the proximity of Centre Wellington to Pearson International Airport and the quality of weather data available from Pearson, an exhaustive search of alternatives was not undertaken. One possible alternative could have been the Region of Waterloo International Airport; however, data prior to 2002 is not available. Other smaller weather observation stations may be available closer to Centre Wellington, but these stations may not adhere to WMO (World Meteorological Organization) data standards and often have missing data. For this reason, and its proximity, the Pearson data was utilized.

c) With respect to pages 8-10, what is the impact on the Residential and GS<50 usage forecast for 2008 and 2009 of using a 30 year definition of "climate normal"?

Response:

As illustrated on page 9 of the ERA report, Environment Canada's 30 year (1971 – 2000) climate normal heating degree days for Pearson Airport is about 12 per cent greater than the most recent 10 year average, and the 30 year climate normal (1971 – 2000) for cooling degree days is about 35 per cent less than the most recent 10 year average. Applying this definition of weather normal to the Residential and GS<50 kW class forecasts would result in a very slight increase in annual kWh, with Residential throughput increasing by 0.3 per cent and GS<50 throughput increasing by 0.03 per cent compared to the forecast throughput obtained using our 10 year definition of weather normal. This result is summarized in the table below:

Centre Wellington – 30 yr (1971 -2000) vs 10 yr (1998 – 2007) Weather Normal

Residential	30yr (kWh)	10yr (kWh)	variance using 30yr (kWh)	% variance
2008	45,005,810	44,886,175	+119,635	+0.3%
2009	45,166,265	45,046630	+119,635	+0.3%
GS<50 kW	30yr (kWh)	10yr (kWh)	variance using 30yr (kWh)	% variance
2008	21,765,567	21,758,916	+6,651	+0.03%
2009	21,815,722	21,809,071	+6,651	+0.03%

It should be noted that ERA has developed weather-normal load forecasts for several LDCs including Centre Wellington and has consistently adopted the most

recent 10 years (1998 to 2007) as the definition of weather normal. ERA adopted this definition of "weather normal" as the Board has accepted this definition in other cases involving electricity distribution; namely, Toronto Hydro Electric System Limited ("THESL"). For example, in their forward test year filing in the 2006 EDR process (EB-2005-0421), THESL proposed to use the most recent 10 years (1995 to 2004) as the definition of "weather normal." In its Decision with Reasons, dated April 12, 2006, the Board accepted the load forecast as proposed by the Applicant.

THESL again proposed the most recent 10 years (1996 to 2005) in their multi-year rate filing for 2008 – 2010 rates (EB-2007-0680). In their Application, THESL explained that the 10 year average was chosen over the 30 year average due to a pronounced trend in HDD and CDD, as illustrated in Figure 2 at Exhibit K1, Tab 1, Schedule 1, Page 7 of their Application. Again, the Board in their Decision with Reasons issued May 15, 2008, accepted this definition of weather normal.

Table 4 on page 9 of the ERA report was presented to show the trend in degree days over the past 37 years. Centre Wellington and their consultants have developed a model to weather normalize Centre Wellington's throughput based on best efforts and relying upon a definition that was previously filed and approved by the Board. In doing so, Centre Wellington and their consultants have undertaken to develop an appropriate model with the least amount of complexity that is consistent across LDCs (to the extent that data allows). Centre Wellington and ERA were careful to design the model and definition of weather normal based on what appeared to be reasonable and based on past practices of other LDCs that have had approval by the Board. In developing the model, it was paramount that model specification and weather normal definition be as consistent as possible across LDCs and that model specification and weather normal definition not be driven by a desired result (i.e., choosing a specification and weather normal definition in order to get a particular result).

d) With respect to pages 9-10, are there more recent updates available for any of the economic forecasts presented in Table 5? If so, please provide and update the weather corrected consumption forecast in Table 6 accordingly.

Response:

Yes, the Chartered Banks have more recent forecasts. Some, such as Scotiabank, have a monthly update, while others have a quarterly cycle. The average of the four forecasts has changed since the ERA Report, dated June 6, 2008, was completed. An updated table is presented below.

Updated Table 5 - Employment Forecast – Ontario
(figures in annual percentage change)

	BMO *(Summer 2008)*	RBC *(Oct 2008)*	Scotia *(Oct 31, 2008)*	TD *(Oct 16,2008)*	Avg
2008	1.2	1.5	1.4	1.4	1.4
2009	0.7	1.2	-0.9	-0.4	0.2

The outlook for 2009 has deteriorated from 0.7 to 0.2. However, the variance between the various Banks' forecasts has also increased. RBC (at 1.2%) is more optimistic on 2009 growth than any forecast in the June report. Likewise, Scotia is more pessimistic (at -0.9%). For 2008, we now have 10 months of actual employment data from Statistics Canada. For Centre Wellington, we have used full-time employment for the Kitchener-Waterloo-Barrie economic area (CANSIM v2054776). The average January to October 2008 full-time employment increased by 1.01% compared to the same period last year. Therefore, the 0.9% forecast used in the June report is appropriate. For 2009, while there may be some downside risk associated with the forecast in the June report, we do not believe that the average of the Banks' forecast has changed enough to make a significant change to Centre Wellington's outlook. Therefore, we see no need to update the consumption forecast at this time.

e) With respect to pages 10-11, the 2008 and 2009 growth rates for GS>50 and the Intermediate class were set equal to growth in employment. Did ERA test the historical relationship between electricity growth in for these classes and employment growth to confirm this 1:1 relationship? If not, what is the basis for the approach used?

Response:

ERA did not statistically test the historical relationship between electricity growth in these classes and employment growth. However, casual observation does reveal a relationship between annual percentage change in kWh consumption in the GS>50 kW class and annual percentage change in employment. From 2003 to 2006, robust employment growth is generally consistent with robust consumption growth in this class (with the exception of 2005 when consumption grew, but at a rather modest rate of 0.6%). In 2007, employment declined by 1.1% and GS>50 kW kWh consumption declined by 0.8%. Therefore, there appears to be directional similarity, if not a 1:1 relationship. Further reasoning for using this approach, is that Centre Wellington does not have the prevalence of large office buildings and commercial properties seen in larger urban centres. Rather, a large proportion of customers in this class are tied to manufacturing, which in turn would vary their consumption based on labour employed. This is the basis for the approach used. In addition, it would not seem reasonable to adopt a historical trend in this case, given that the robust growth seen in the 2003-2006 period is not likely to occur over the 2008-2009 period given the current state of manufacturing. A similar approach was taken with the Intermediate Class. While casual observation does not yield a similar relationship, it was thought to be unreasonable to assume a decline similar to what the historical trend indicates (this is due to a declining customer base, moving from 3 customers to 1 customer over the 2003 to 2007 period). There is no indication that the current customer will disappear, but it is also unreasonable to assume that consumption will increase by 8.6% given the current environment. Thus, employment growth was also adopted for this class.

f) With respect to the customer connections forecast on page 13, please provide year end 2007 customer count and the current 2008 customer count (indicate which month) for each customer class.

Response:

The table below provides the 2007 year end customer count and the customer count as of November 30, 2008 as requested.

	Residential	GS<50	GS>50	Intermediate (GS>3,000 to 4,999)	Street Light	Sentinel Light	USL
2007 Year End Customer Count	5510	671	55	1	1654	33	2
Nov 30 2008 Current Count	5559	682	59	1	1653	33	2

Question #16

Reference: i) Exhibit 4/Tab 1/Schedule 1, page 1

a) Please provide further details as to prioritization and risk-based decision making processes CHWL used in developing its proposed OM&A expenses for 2008 and 2009 (per lines 19-21).

Response:

Through regular substation inspections, patrols of the overhead infrastructure, thermovision inspections, padmount transformer inspections and cyclical tree trimming programs, Centre Wellington is able to prioritize the work that is necessary to maintain safe reliable service.

b) What are the key risks and priorities identified by the process and how do the planned expenditures address them.

Response:

Through regular substation inspections, patrols of the overhead infrastructure, thermovision inspections, padmount transformer inspections and cyclical tree trimming programs, Centre Wellington is able to prioritize the work that is necessary to maintain safe reliable service.

Through these programs, risks such as “hot spots” on overhead connections (identified by thermovision patrolling) oil contamination or high carbon counts (identified by substation oil testing) or tree growth (identified by overhead patrols), Centre Wellington is able to prioritize what needs to be completed first, and take the necessary steps to address them.

Question #17

Reference: Exhibit 4/Tab 2/Schedule 2

a) Please provide a schedule that sets out the main cost drivers (e.g. one time costs, new/reduced requirements, annual inflation adjustments, etc.) for the year over year variance in total OM&A (excluding taxes and amortization) between the 2006 actuals and the 2009 forecast. In doing so, please separate out recurring from non-recurring factors.

Response:

The table below sets out the main cost drivers for each classification of expense as requested.

	2,007	2,008	2,009
Total OM&A Costs-Opening Balance	**1,433,610**	**1,502,550**	**1,699,900**
Cost Drivers: Operations			
Wages & Associated Cost-Operations	35,553	23,983	(36,500)
Contracted work	(2,357)	17,177	10,900
Materials	(2,547)	937	3,100
Overhead Lines & Feeders-Rental Paid	6,559	(4,359)	141
Inflation	977	(9,344)	2,359
Cost Drivers: Maintenance (OEB #46)			
Wages & Associated Cost-Maintenance	(15,134)	27,228	(11,600)
Contracted work	25,361	(2,660)	3,000
Materials	(760)	8,477	4,500
Hydro One Whlse Legacy Meter Point Rebate	(2,696)	9,710	1,000
Inflation	(1,143)	731	(500)
Cost Drivers: Billing & Collecting			
Payroll	17,107	12,475	(5,600)
Conferences	(1,235)	1,771	-
Computer / Billing System	(22,148)	(3,553)	7,900
Inflation	(7,918)	(1,993)	6,800
Cost Drivers: Community Relations			
Payroll & Associated Costs	(14,886)	12,679	(11,300)
Contract Work	(5,891)	9,730	(10,500)
Materials	12,672	(7,503)	(2,000)
Miscellaneous	46	(1,089)	700
Inflation	(355)	(95)	2,200
Cost Drivers: Administration & General (OEB #47)			
Payroll & Associated Costs	43,483	64,499	6,900
ESA Standards	(1,465)	1,639	1,200
Outside Services fees	(17,738)	31,022	(15,600)
Insurance Premiums Decreased	17,524	(2,783)	5,200
Regulatory Expenses	2,749	(1,216)	39,400
Inflation	3,179	9,888	10,000
Total OM&A Costs -Closing Balance	**1,502,550**	**1,699,900**	**1,711,600**

Please refer to the Ontario Energy Board Staff interrogatories question number 46 and 47 for the cost drivers related to “Maintenance’ and “Administration & General Expenses”.

The cost drivers for the Operations, Billing and Collecting and Community Relations are below:

Cost Drivers – Operations

Payroll and Associated costs:

The line crew and supervisor received a 3% wage increase in 2007, 2008, and 2009 based on the negotiated contract. As set out in “SEC Interrogatories” question 10 and 12, the increase in labour and associated costs in one account is a direct offset to labour and associated costs in another account. Centre Wellington Hydro has four line crew and one line superintendent, therefore, if their labour hours are not billed against one account they are billed to another account. Because of the small staff size, Centre Wellington Hydro will experience fluctuations in the labour costs between capital, operations, maintenance and community relations. All contracted work is kept in separate sub accounts and is therefore tracked separately and not mixed in with labour and associated costs.

Contracted work:

Contract work in 2008 increased by $13K because of a contractor hired to do extra work on our mapping system in order to be able to track additional information related to the infrastructure and $4K was spent on a contractor to put in new meter bases. In 2009, Centre Wellington Hydro will be hiring a contractor to continue changing out unsafe meter bases. The overall meter expense-5065 is reduced in 2009 by $24,900 over 2008 because a portion of the unsafe meter bases were scheduled to be completed in 2008.

Overhead Lines & Feeders-Rental paid increased in 2007 and decreased in 2008 because of a timing issue related to the recording of the expense.

The Inflation rate as shown in the above table for 2007 is an increase of 0.45%, 2008 is a decrease of -3.64%, and an increase of 0.83% for 2009.

Cost Drivers – Billing and Collecting

Payroll and associated costs increased in 2007 by $17K because of the upgrade to new billing standards and an upgrade to the billing system. We moved from a DOS based application (PUBS) to a Windows based application (NorthStar).

Computer costs decreased in 2007 over 2006 because we switched our ASP provider, thus realizing a cost savings of $22K.

In 2008, the payroll and associated costs increased by $12K because Centre Wellington Hydro elected to retain the services of contract personnel who were

covering for a maternity leave to assist with increased work load in the summer months and to cover for staff assisting with the 2009 rebasing application and phase one of the upgrade of the financial system.

Computer expenses are anticipated to increase by $8K in 2009 because of implementation of smart meters and hosting system for the digital filing system.

The Inflation rate as shown in the above table for 2007 is a decrease of -3.13%, 2008 is a decrease of -0.67%, and an increase of 2.32% for 2009.

Cost Drivers – Community Relations.

Payroll and associated costs decreased in 2007 by $15K because in 2006 Centre Wellington Hydro hosted a number of public information sessions related to energy conservation and smart meters. Payroll costs included time spent attending the meetings and preparation time.

Material costs increased in 2007 by $12.6K because of the spending related to the balance of the third tranche of the approved CDM plan as per OEB Guidelines. Funds were spent related to energy conservation for street lights and signaling and conversation crunch kits handed out at service area school safety training programs.

In 2008, payroll and associated costs increased by $12.6K because of the planned extension of the hydro system for the Centre Wellington recreational centre. In 2009, payroll and associated cost decreased by $11.3K because the planned extension would be completed.

The contract work increased in 2008 by $10K because of the cost of the customer satisfaction survey that is being completed. In 2009, the contract work decreased by $10K because Centre Wellington Hydro does not anticipate doing a customer survey in 2009.

The Inflation rate as shown in the above table for 2007 is a decrease of -0.69%, 2008 is a decrease of -0.22%, and an increase of 3.89% for 2009.

b) With respect to Page 6 (lines 26-28) and page 12 (line 6), has CWHL approached Measurement Canada for dispensation regarding the need to reverify/reseal meters given the pending conversion to smart meters?

Response:

No, Centre Wellington Hydro has not applied to Measurement Canada for dispensation because it is not relevant to our utility. Centre Wellington Hydro does not do sample groups of meters as would a larger LDC. We change all meters for re-verification rather than sampling.

c) With respect to page 12 (lines 19-25), please explain why the pole and conductor replacements are treated as O&M expense as opposed to capital spending.

Response:

c) With respect to page 12 (lines 19-25), the poles and conductor replacements are treated as O&M expense as opposed to capital spending because the Applicant was changing out small sections of #6 solid copper primary conductor in various locations throughout the distribution service territory.

d) With respect to page 17:
- Please provide details regarding the low income conservation program (lines21-23).
- Is this program distinct from programs offered through the OPA?
- Has CWHL sought funding for the program from the OPA? If not, why not?

Response:

The low income program Centre Wellington Hydro has identified on page 17 would be a pilot program for our LDC. Representatives from Centre Wellington Hydro have met with some customers that would be classed as low income, as well as representatives from the County Social Services, Food Bank and Community Resource Group. This was done to obtain a better understanding of the challenges each group faces and how we can work together to benefit these customers. We are hopeful that through better education (in some cases one on one) and opening the lines of communication, we can help these customers help themselves. It is our understanding discussions are currently underway with the OEB, interveners, and numerous interested parties to explore options on how these particular customers could be helped. Board file number for this process is EB-2008-0150.

Yes, this program is distinct from programs offered through the OPA.

This program is partially funded through OPA's "Community Initiative Fund of $7,000. The $5,300 is for expense over and above the $7,000.

e) With respect to page 19, why are the regulatory expenses being amortized over three years when the Board's Third Generation IRM runs for four years (i.e., test year plus 3)?

Response:

At the time of submission of the 2009 Rate Application on August 15, 2008 the applicant choose to use a three year amortization, but has re-valuated the decision and is requesting a change to a four year amortization.

Question #18

Reference: Exhibit 2/Tab 1/Schedule 3, pages 4 and 10

a) Please provide more details regarding the Business Credit Risk Insurance that CWHL has obtained (e.g., what was the business case for obtaining the insurance; what are the annual premiums {2007-2009}; what claims/coverage has it provided for to-date; what are the reduced costs experienced in terms of bad debt).

Response:

At the time of implementing the "Business Credit Risk" insurance Centre Wellington Hydro had at least one large industrial customer that we converted to weekly billing in order to mitigate possible losses. This company depended on exports to the USA and a single account's monthly billing was between $28,000 and $40,000 per month. We reviewed all accounts at the time of implementation to determine our risk of exposure. We have eight individual customers listed on the policy as high dollar value risk customers and the balance of the GS>50 and GS<50 customers covered under the blanket portion of the policy.

In 2008 and 2009 we anticipate being able to keep the bad debts to $3,500 representing mainly residential customers due to the fact that GS<50 customers with a balance of $2,000 can be claimed against the business risk insurance.

The insurance program was perceived as a cost of doing business and thus avoids the need to apply to the OEB for a z-factor related to bad debts. Although Centre Wellington Hydro has not had to avail ourselves of the service, a number of fellow CHEC utility members have received payment from the insurance company for firms that have closed their doors without paying their outstanding bills.

b) What was CWHL's bad debt expense for each of three years prior to taking out the Business Credit Risk Insurance and what has been its annual actual (and forecast 2008 & 2009) bad debt expense since?

Response:

Centre Wellington Hydro's actual and forecasted bad debt expense for the period of 2002 - 2009 is shown in the table below.

Year	Bad Debts Actual and Estimated	Annual Business Credit Risk Insurance Premium
2002	8,743	-
2003	6,183	-
2004	2,365	-
2005	7,318	-
2006	81	-
2007	4,546	13,268
2008	3,500	13,200
2009	3,500	13,500

Question #19

Reference: Exhibit 4/Tab 2/Schedule 6

a) Please identify all external service purchases associated with the preparation of the 2009 Rate Application.

Response:

A detailed estimated budget showing external service purchases associated with the preparation of the 2009 Rate Application is included with the response to the OEB Board Staff IR #52.

b) Exhibit 1/Tab 2/Schedule indicates that CWHL is a member of the CHEC group. Does the above referenced schedule include all payments in excess of $2,000 associated with CHEC activities? If not, please list.

Response:

The listing does not include any CHEC payments. We removed CHEC from the listing because some of the payments to CHEC were for OPA program activities and the balance was for CHEC membership. The total payments to CHEC for 2007 were $8,421 of which $2,234 related to OPA activities and $6,187 was for membership fees.

Question #20

Reference: Exhibit 4/Tab 2/Schedule 7

a) Does the schedule's employee count and reported compensation capture:
   - Summer students (per 4/2/2, page 9)
   - Contract staff used to replace employees on leave and provide other coverage for staff (4/2/2, page 13 & 14)
   - Contract staff to assist with the 2009 Rate Application (page 14)

Response:

Yes, the schedule's employee count and reported compensation captures summer students, contract staff used to replace employees on leave and to provide other coverage for staff and contract staff to assist with the 2009 Rate application. Summer students and contract staff are converted to full time equivalents based on the budgeted hours of service.

b) Why did the average cost of non-unionized employees (Total Salary and Wages) increase by more than 12% from 2006 to 2007?

Response:

The average cost of non-unionized employees increased by 12.9% as a result of the following: in 2006 salaries were reduced ($8K) due to an offset of short term disability payments received to offset salaries; an increase in overtime and paid out vacation in 2007 due to implementation of billing standards and upgrade to billing system ($19K), hiring of a summer student ($7K); increase in President's salary ($10K) to offset expense of using personal vehicle versus company vehicle (we no longer lease a vehicle for the President); increase in President and Vice-President salary to mover closer to par with industry annual salary survey ($5K) and salary increases of 3% as negotiated by non-union staff.

Question #21

Reference: Exhibit 4/Tab 2/Schedule 8

a) Please explain more fully what lines A and B in the schedule represent.

Response:

The “Line A – Purchased kWh’s” represents the total kWh’s purchased from the IESO uplifted for the Supply Facility Loss Factor (SFLF) and the kWh’s from the local private generators. The local generators are not uplifted by the SFLF because they are connected directly to our grid.

The “Line B – Wholesale kWh (IESO) Qty at Meter” represents the total kWh’s purchased from the IESO and local private generators without uplift for the SFLF.

Question #22

Reference: Exhibit 4/Tab 2/Schedule 11, pages 1-2

a) Please explain more fully how the Total Annual 2009 Network Transmission Network ($819,704) and Transmission Connection ($680,519) were established – as shown in the second column of each table. Are these the estimated charges from HON for transmission service?

Response:

The 2009 cost of Retail Transmission Network charges ($819,704) shown in schedule 11 was based on the 2007 actual charges ($808,227) from Hydro One Network uplifted by 1.42%.

The 2009 cost of Retail Transmission Connection charges ($680,519) shown in schedule 11 was based on the 2007 actual charges ($607,991) from Hydro One Network uplifted by 1.42%.

Question #23

Reference: Exhibit 4/Tab 3/Schedule 2, page 1

a) Please explain the Non-Utility Revenue and Expense entries.

Response:

The Non-Utility Revenue (Account 4375 - $251,000) and Non-Utility Expenses (Account 4380 - $226,800) entries shown on the PILs table in Exhibit 4, Tab 3, Schedule 2 were included in error. These amounts, although used in the calculation of the payment of taxes, should not be used in the calculation of the Service Revenue Requirement.

These amounts represent non-utility revenues and costs related water and sewer billing and the OPA programs.

Question #24

Reference: Exhibit 4/Tab 3/Schedule 3

a) The CCA rates for certain asset groups have changed over time (e.g. 2007 Federal budget) and vary depending upon when the capital expenditures were made. Why aren't these varying rates (by expenditure timing) reflected in the schedule?

Response:

In the 2007, the CCA Schedule 3, page 2 of 4 reflects the classification of capital expenditures depending on the date of purchase. For example, the purchase of computer hardware, account 1920, is split between Class 45 and 50 and capital expenditures for account 1815 to 1860 are reflected in Asset Class 47. The only new acquisitions going to class 1 are those related to Land Rights, account 1806.

The Applicant has reflected the above changes in the projected CCA schedules for 2008 and 2009.

Question #25

Reference: i) Exhibit 5/Tab 1/Schedule 2, page2
ii) Exhibit 5/Tab 1/Schedule 3, page 1

a) Please explain the basis for the regulatory assets recorded in Account #1508 (i.e., what activity/expenses do they represent?).

Response:

As detailed in the table below, the OEB letter of December 20, 2004 gave authorization to record the variance between the OEB annual cost assessment fees, previously captured in 2001 rates, amounts charged in 2004 and subsequent years along with associated carrying charges.

The OEB Board letter of February 15, 2005 gave authorization to create the variance account to record the pension costs associated with the cash contributions paid to OMERS for 2005 and subsequent fiscal years along with associated carrying charges.

Breakdown of Activity:

	2004	2005	2006	2007	2008	2009	Sub Totals	Totals
OEB Cost Assessment								
Principal	$ 8,604	$ -	$ (8,604)	$ -	$ -	$ -	$ -	
Carrying Charges	$ 124	$ 561	$ (600)	$ -	$ -	$ -	$ 85	$ 85
OMERS Pension Contributions								
Principal	$ -	$47,320	$ 12,330	$ -	$ -	$ -	$ 59,650	
Carrying Charges	$ -	$ 817	$ 2,485	$ 2,820	$ 3,239	$ 1,080	$ 10,441	$ 70,091
Total Account Balance as shown in Exhibit 5, Tab 1, Schedule 2, page 2 of 4								$ 70,176

b) Please explain the rationale for each of the "Basis for Allocation To Customer Classes" for each of the four accounts.
- Does the reference to existing rates for accounts 1584 and 1586 mean existing distribution rates or existing retail transmission rates?

Response:

Centre Wellington has chosen to allocate account 1550 LV Variance account based on the 2007 General Ledger for account 1550.

KWhs were chosen for the allocation of account 1508 and existing distribution revenues for the 1584 and 1586 transmission accounts. Those allocators were chosen as Centre Wellington felt they were an approximate representation of the balances in the variance accounts.

The Bill Impact tables that follow compare each of the customer classes with the rate riders as submitted with the application and a second table for each customer class

with a change to the allocator for Accounts 1508, 1584, and 1586. In this second table for each customer class, the allocator for account 1508 is distribution revenue while accounts 1584 and 1586 are allocated based on kWhs. No change was made to the allocator for account 1550.

Although this change does not affect Distribution Charges, such a change to the allocators results in a positive effect on the Total Bill Impact for the GS 50 - 2,999 kW, GS 3,000 – 4,999 kW, Sentinel Lighting, and Street Lighting customer classes. The remaining customer classes would see negative impacts.

Residential with Rate Rider as submitted

Volume		RPP	Distribution Charges		Total Bill	
kWh *	kW	Rate Class	$ change	% change	$ change	% change
500		Summer	$0.14	0.7%	($0.77)	(1.3%)
1,000		Summer	($0.71)	(2.5%)	($2.34)	(2.1%)
1,500		Summer	($1.56)	(4.3%)	($4.02)	(2.5%)
500		Winter	$0.14	0.7%	($0.77)	(1.3%)
1,000		Winter	($0.71)	(2.5%)	($2.34)	(2.2%)
1,500		Winter	($1.56)	(4.3%)	($4.02)	(2.6%)

Residential with Rate Riders changed

Volume		RPP	Distribution Charges		Total Bill	
kWh *	kW	Rate Class	$ change	% change	$ change	% change
500		Summer	$0.14	0.7%	$0.08	0.1%
1,000		Summer	($0.71)	(2.5%)	($0.64)	(0.6%)
1,500		Summer	($1.56)	(4.3%)	($1.47)	(0.9%)
500		Winter	$0.14	0.7%	$0.08	0.1%
1,000		Winter	($0.71)	(2.5%)	($0.64)	(0.6%)
1,500		Winter	($1.56)	(4.3%)	($1.47)	(0.9%)

GS < 50kW with Rate Rider as submitted

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
2,000		Non-res.	($0.25)	(0.5%)	($1.34)	(0.6%)
3,000		Non-res.	($1.25)	(1.9%)	($2.93)	(0.9%)
5,000		Non-res.	($3.25)	(3.2%)	($6.03)	(1.2%)
10,000		Non-res.	($8.25)	(4.3%)	($13.78)	(1.3%)
17,500		Non-res.	($15.75)	(4.9%)	($25.44)	(1.4%)

GS < 50kW with Rate Rider changed

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
2,000		Non-res.	($0.25)	(0.5%)	($0.14)	(0.1%)
3,000		Non-res.	($1.25)	(1.9%)	($1.13)	(0.4%)
5,000		Non-res.	($3.25)	(3.2%)	($3.03)	(0.6%)
10,000		Non-res.	($8.25)	(4.3%)	($7.78)	(0.8%)
17,500		Non-res.	($15.75)	(4.9%)	($14.94)	(0.8%)

GS 50 – 2,999 kW with Rate Rider as submitted

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
20,164	74	n/a	$109.71	41.7%	$115.72	5.9%
46,278	91	n/a	$114.58	36.6%	$149.22	3.8%
179,400	396	n/a	$202.02	16.5%	$324.91	2.1%
294,372	901	n/a	$346.81	12.7%	$482.03	1.8%
1,182,146	2,241	n/a	$730.98	10.9%	$1,638.15	1.7%

GS 50 – 2,999 kW with Rate Rider changed

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
20,164	74	n/a	$109.71	41.7%	$88.79	4.5%
46,278	91	n/a	$114.58	36.6%	$116.10	3.0%
179,400	396	n/a	$202.02	16.5%	$180.77	1.2%
294,372	901	n/a	$346.81	12.7%	$154.06	0.6%
1,182,146	2,241	n/a	$730.98	10.9%	$822.42	0.8%

GS 3,000 – 4,999 kW with Rate Rider as submitted

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
1,302,474	3,556	n/a	$3,749.36	57.6%	$4,718.69	4.2%
1,492,765	3,696	n/a	$3,896.96	57.8%	$5,080.81	4.0%
1,939,602	3,758	n/a	$3,962.33	57.9%	$5,701.12	3.6%

GS 3,000 – 4,999 kW with Rate Rider changed

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
1,302,474	3,556	n/a	$3,749.36	57.6%	$2,389.15	2.1%
1,492,765	3,696	n/a	$3,896.96	57.8%	$2,659.56	2.1%
1,939,602	3,758	n/a	$3,962.33	57.9%	$3,239.26	2.0%

USL with Rate Rider as submitted

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
32,000		Non-res.	$296.76	51.1%	$295.06	9.0%
34,000		Non-res.	$315.16	51.2%	$313.36	9.0%
36,000		Non-res.	$333.56	51.2%	$331.63	9.0%

USL with Rate Rider changed

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
32,000		Non-res.	$296.76	51.1%	$298.26	9.1%
34,000		Non-res.	$315.16	51.2%	$316.76	9.1%
36,000		Non-res.	$333.56	51.2%	$335.23	9.1%

Sentinel Lighting with Rate Rider as submitted

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
82	0.23	Non-res.	$3.55	>100%	$3.58	51.8%
92	0.25	Non-res.	$3.70	>100%	$3.72	48.4%

Sentinel Lighting with Rate Rider changed

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
82	0.23	Non-res.	$3.55	>100%	$3.51	50.8%
92	0.25	Non-res.	$3.70	>100%	$3.65	47.5%

Street Lighting with Rate Rider as submitted

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
44	0.16	Non-res.	$3.84	>100%	$3.87	>100%
64	0.16	Non-res.	$3.84	>100%	$3.90	78.5%

Street Lighting with Rate Rider changed

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
44	0.16	Non-res.	$3.84	>100%	$3.81	>100%
64	0.16	Non-res.	$3.84	>100%	$3.83	77.1%

Question #26

Reference: i) Exhibit 7/Tab 1/Schedule 1
ii) Exhibit 9/Tab 1/Schedule 1

a) Reference (i), page 1 (lines 25-26) states that the $2,739,753 includes LV charges and Transformer Ownership Allowance. However, page 1 of reference (ii) states it does not. Please reconcile.

Response:

The comment in Exhibit 7, Tab 1, Schedule 1 (lines 25-26) and Exhibit 9, Tab 1, Schedule 1 (lines 8-9) should read excludes LV Charges and are net of Transformer Allowance.

2009 Test						Transformer				
Customer Class	Customers	kwh	kW	Fixed Charge	Volumetric Charge	kW	$ Allowance	Fixed Revenue	Variable Revenue	Total Revenue
Residential	5,710	45,046,630		$ 14.00	$ 0.0136			$ 959,280	$ 614,720	$ 1,574,000
General Service Less Than 50 kW	687	21,809,071		$ 15.44	$ 0.0167			$ 127,287	$ 364,929	$ 492,216
General Service 50 to 2,999 kW	53		166,526	$ 130.45	$ 3.2671	98,235	(0.60)	$ 82,966	$ 485,122	$ 568,088
General Service 3,000 to 4,999 kW	1		43,874	$ 558.28	$ 2.7283	43,180	(0.60)	$ 6,699	$ 93,794	$ 100,493
Unmetered Scattered Load	2	400,443		$ 16.65	$ 0.0269			$ 400	$ 10,791	$ 11,190
Sentinel Lighting	35		122	$ 2.72	$ 7.4289			$ 1,142	$ 906	$ 2,049
Street Lighting	1,658		3,066	$ 2.36	$ 11.6642			$ 46,955	$ 35,763	$ 82,717
Sub Total										$ 2,830,753
Low Voltage Charges										$ (91,000)
Distribution Revenue										$ 2,739,753

b) Please provide a schedule that sets out the LV charges for 2007, 2008 and 2009. Please include the annual volumes and rates used to derive the total charges for each year.

Response:

2007	$87,085	Actual	
2008	$87,085	2.2% increase	$89,000
2009	$89,000	2.2% increase	$91,000

Question #27

Reference: i) Exhibit 8/Tab 1/Schedule 2, page 4

a) Please complete the following schedules:
- kWh by Customer Class (delivered)
- Customer/Connection Count

Customer Class	Cost Allocation Filing		2009 Application	
	kWh	% of Total	kWh	% of Total
Residential	44,667,222	30.1%	45,046,630	29.3%
General Service Less Than 50 kW	21,179,005	14.3%	21,809,071	14.2%
General Service 50 to 2,999 kW	60,099,753	40.5%	64,439,774	41.9%
General Service 3,000 to 4,999 kW	20,715,955	14.0%	20,979,417	13.6%
Unmetered Scattered Load	585,486	0.4%	400,443	0.3%
Sentinel Lighting	56,769	0.0%	43,755	0.0%
Street Lighting	1,095,671	0.7%	1,112,732	0.7%
	148,399,861	100.0%	153,831,822	100.0%

Customer Class	Cost Allocation Filing		2009 Application	
	Customers / Connections	% of Total	Customers / Connections	% of Total
Residential	5,319	70.1%	5,710	70.1%
General Service Less Than 50 kW	615	8.1%	687	8.4%
General Service 50 to 2,999 kW	39	0.5%	53	0.7%
General Service 3,000 to 4,999 kW	1	0.0%	1	0.0%
Unmetered Scattered Load	12	0.2%	2	0.0%
Sentinel Lighting	33	0.4%	35	0.4%
Street Lighting	1,568	20.7%	1,658	20.4%
	7,587	100.0%	8,146	100.0%

b) Based on the results from part (a), please comment on the appropriateness of assuming that the revenue requirement proportions from the Cost Allocation Informational filing are appropriate to utilize for setting 2009 rates.

Response:

The 2009 proportions are up in some cases and down in others compared to cost allocation which suggests that the cost allocation proportions are a reasonable estimate for the 2009 rate application. In addition, it was costly to prepare the 2006 cost allocation informational filing. It is Centre Wellington's view that it is cost effective to use the results of this study at least once to adjust rates in the 2009 rate application. To update the cost allocation, Centre Wellington would need to request load data from Hydro One again and that data would be an estimate. Centre Wellington submits that it would be more prudent to update the cost allocation study at the time the next cost of service application is prepared since at that time smart meters will be installed and actual peak demand load data will be available by customer rate class.

Question #28

Reference: Exhibit 8/Tab 1/Schedule 2

a) Please confirm that for purposes of the Cost Allocation Informational Filing:
- The Revenues are based on distribution rates (excluding the discounts for transformer ownership allowance)
- The Costs include the cost of the Transformer Ownership Allowance
- The cost of the Transformer Ownership Allowance is allocated to all customer classes

Response:

Centre Wellington Hydro agrees with the comments made above.

b) Please confirm that (per page 7) CWHL is proposing to allocate the cost of the Transformer Ownership Allowance to just the GS>50 classes.

Response:

Centre Wellington Hydro confirms it is proposing to allocate the transformer ownership allowance to both the GS 50 to 2,999 kW and GS 3,000 to 4,999 kW classes as shown on E8/T1/S2 page 5.

c) Please provide the results of an alternative cost allocation run which is consistent with CWHL's proposed treatment of the Transformer Ownership Allowance where:
- The Revenues by class are based the rates reduced by the transformer ownership allowance where applicable
- The Costs allocated exclude the "cost" of the Transformer Ownership Allowance.
  (Note: For purposes of the response please just file the revise Output Sheet O1)

Response:

Cost allocation "Output sheet O1" is provided below.

	Total	1 Residential	2 GS <50	3 GS>50-Regular	5 GS >50-Intermediate	7 Street Light	8 Sentinel	9 Unmetered Scattered Load
Distribution Revenue (sale)	$2,368,470	$1,445,346	$447,337	$428,733	$28,559	$5,362	$415	$12,718
Miscellaneous Revenue (mi)	$275,655	$179,342	$45,371	$31,479	$6,119	$11,544	$273	$1,527
Total Revenue	$2,644,125	$1,624,688	$492,708	$460,212	$34,678	$16,906	$688	$14,244
Expenses								
Distribution Costs (di)	$379,080	$186,146	$60,660	$77,215	$19,711	$33,393	$738	$1,215
Customer Related Costs (cu)	$367,152	$268,737	$63,177	$30,066	$1,923	$994	$43	$2,213
General and Administration (ad)	$609,944	$367,568	$100,941	$89,602	$18,436	$29,984	$678	$2,735
Depreciation and Amortization (dep)	$510,349	$262,280	$80,944	$93,022	$22,550	$48,946	$1,068	$1,538
PILs (INPUT)	$54,544	$27,637	$8,692	$10,396	$2,583	$4,965	$109	$162
Interest	$322,594	$163,456	$51,411	$61,487	$15,275	$29,366	$643	$958
Total Expenses	$2,243,663	$1,275,824	$365,825	$361,790	$80,478	$147,647	$3,278	$8,821
Direct Allocation	$0	$0	$0	$0	$0	$0	$0	$0
Allocated Net Income (NI)	$400,462	$202,910	$63,820	$76,329	$18,962	$36,454	$798	$1,189
Revenue Requirement (includes NI)	$2,644,125	$1,478,735	$429,645	$438,119	$99,440	$184,101	$4,076	$10,009
	evenue Requirement Input equals Outpu							
Rate Base Calculation								
Net Assets								
Distribution Plant - Gross	$11,336,812	$5,775,075	$1,812,955	$2,132,032	$518,869	$1,041,356	$22,782	$33,743
General Plant - Gross	$2,367,816	$1,204,154	$375,821	$445,923	$110,664	$219,380	$4,798	$7,077
Accumulated Depreciation	($5,885,084)	($3,002,597)	($947,654)	($1,105,326)	($264,074)	($536,248)	($11,736)	($17,448)
Capital Contribution	($728,217)	($381,097)	($111,848)	($123,972)	($30,483)	($76,853)	($1,670)	($2,294)
Total Net Plant	$7,091,327	$3,595,535	$1,129,275	$1,348,656	$334,976	$647,634	$14,174	$21,078
Directly Allocated Net Fixed Assets	$0	$0	$0	$0	$0	$0	$0	$0
Cost of Power (COP)	$10,543,489	$3,173,509	$1,504,722	$4,269,957	$1,471,824	$77,845	$4,033	$41,598
OM&A Expenses	$1,356,176	$822,452	$224,778	$196,884	$40,070	$64,371	$1,459	$6,162
Directly Allocated Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal	***$11,899,664***	***$3,995,961***	***$1,729,500***	***$4,466,841***	***$1,511,894***	***$142,216***	***$5,492***	***$47,760***
Working Capital	$1,784,950	$599,394	$259,425	$670,026	$226,784	$21,332	$824	$7,164
Total Rate Base	$8,876,277	$4,194,929	$1,388,700	$2,018,682	$561,760	$668,966	$14,997	$28,242
	Rate Base Input equals Output							
Equity Component of Rate Base	$4,438,139	$2,097,465	$694,350	$1,009,341	$280,880	$334,483	$7,499	$14,121
Net Income on Allocated Assets	$400,462	$348,864	$126,884	$98,422	($45,800)	($130,741)	($2,591)	$5,424
Net Income on Direct Allocation Assets	$0	$0	$0	$0	$0	$0	$0	$0
Net Income	$400,462	$348,864	$126,884	$98,422	($45,800)	($130,741)	($2,591)	$5,424
RATIOS ANALYSIS								
REVENUE TO EXPENSES %	100.00%	109.87%	114.68%	105.04%	34.87%	9.18%	16.88%	142.31%
EXISTING REVENUE MINUS ALLOCATED COSTS	($0)	$145,953	$63,064	$22,093	($64,762)	($167,195)	($3,388)	$4,235
RETURN ON EQUITY COMPONENT OF RATE BASE	9.02%	16.63%	18.27%	9.75%	-16.31%	-39.09%	-34.55%	38.41%

Question #29

Reference: Exhibit 8/Tab 1/Schedule 2, page 4

i. Please provide a schedule that sets of the calculation of revenues at existing rates by customer class supporting the %'s in the third column of Table 3.

Response:

2009 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES

Customer Class	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Rate	per	Volume	Variable Charge Revenue	TOTAL	% of Total
Residential	$ 13.01	5,710	$ 891,445	$ 0.0153	kWh	45,046,630	$ 689,213	$ 1,580,659	58.61%
General Service Less Than 50 kW	$ 13.69	687	$ 112,860	$ 0.0177	kWh	21,809,071	$ 386,021	$ 498,881	18.50%
General Service 50 to 2,999 kW	$ 41.96	53	$ 26,687	$ 2.9804	kW	166,526	$ 496,314	$ 523,001	19.39%
General Service 3,000 to 4,999 kW	$ 558.01	1	$ 6,696	$ 1.6740	kW	43,874	$ 73,445	$ 80,141	2.97%
Unmetered Scattered Load	$ 14.29	2	$ 343	$ 0.0177	kWh	400,443	$ 7,088	$ 7,431	0.28%
Sentinel Lighting	$ 0.46	35	$ 193	$ 1.7575	kW	122	$ 214	$ 408	0.02%
Street Lighting	$ 0.16	1,658	$ 3,183	$ 1.0613	kW	3,066	$ 3,254	$ 6,437	0.24%
Total			$ 1,041,408				$ 1,655,549	$ 2,696,957	100.00%

ii. Please confirm that the rates used in the calculation referenced in part (a):

- Exclude the Smart Meter Rate Adder
- Exclude the LV charge adder
- Reflect the lower rates applicable for transformer ownership where applicable.

Response:

The rates used in the calculation in part (a) exclude smart meters, includes LV charges and does not reflect the lower rates applicable for transformer ownership.

iii. If part (b) is not answered in the affirmative, please re-do part (a) using the rates as defined in part (b).

Response:

2009 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES
(Excludes Smart Meter Adder, LV Charge Adder and Reflects lower rates applicable for Transformer ownership)

Customer Class	Fixed Rate	Customers / Connections	Fixed Charge Revenue	Variable Rate Less LV	per	Volume	Transformer Allowance KW	Transformer Allowance Rate	Variable Charge Revenue	TOTAL	% of Total
Residential	$ 13.01	5,710	$ 891,445	$0.0142	kWh	45,046,630			$ 639,662	$1,531,107	62.21%
General Service Less Than 50 kW	$ 13.69	687	$ 112,860	$0.0168	kWh	21,809,071			$ 366,392	$ 479,253	19.47%
General Service 50 to 2,999 kW	$ 41.96	53	$ 26,687	$2.6289	kW	166,526	98,235	(0.60)	$ 378,839	$ 405,526	16.48%
General Service 3,000 to 4,999 kW	$558.01	1	$ 6,696	$1.1722	kW	43,874	43,180	(0.60)	$ 25,521	$ 32,217	1.31%
Unmetered Scattered Load	$ 14.29	2	$ 343	$0.0168	kWh	400,443			$ 6,727	$ 7,070	0.29%
Sentinel Lighting	$ 0.46	35	$ 193	$1.4954	kW	122			$ 182	$ 376	0.02%
Street Lighting	$ 0.16	1,658	$ 3,183	$0.7992	kW	3,066			$ 2,450	$ 5,634	0.23%
Total			$1,041,408						$1,419,775	$2,461,183	100.00%

iv. Please provide a schedule that shows how the revenue proportions set out in Table 3 (page 6) are derived using the proposed revenue to cost ratios in Table 2 (page 3).

Response:

The Revenue proportions were an iterative process where the revenue proportions by rate class were chosen that resulted in Revenue to cost ratios that moved all classes in the direction of unity. In particular the proportions of revenue resulted in a revenue to cost ratio for the Street Lighting and Sentinel Lighting customer classes that moves those classes approximately half way to the lower band of 70% from where they were in the Cost Allocation Informational filing consistent with the decisions of the 2008 cost of service applications.

The Revenue Proportions that resulted in the proposed Revenue to Cost ratios are set out below:

	Rate Application				
Customer Class	Iterative Proportions	Allocated Revenue	Allocation of Base Rev Requirement - per CA filing proportions = Allocated Cost		Resulting R/C Ratio
Residential	56.38%	$ 1,544,673	54.74%	$ 1,499,702	1.03
General Service Less Than 50 kW	17.51%	$ 479,621	16.42%	$ 449,838	1.07
General Service 50 to 2,999 kW	19.39%	$ 531,238	17.19%	$ 470,885	1.13
General Service 3,000 to 4,999 kW	3.25%	$ 89,042	3.72%	$ 101,993	0.87
Unmetered Scattered Load	0.40%	$ 10,959	0.36%	$ 9,778	1.12
Sentinel Lighting	0.07%	$ 2,027	0.16%	$ 4,482	0.45
Street Lighting	3.00%	$ 82,193	7.41%	$ 203,074	0.40
Total	**100.00%**	**$ 2,739,753**	**100.00%**	**$ 2,739,753**	**1.00**

v. Please confirm whether the “Outstanding Base Revenue Requirement %” in the “Cost Allocation” Column is based solely on the % allocation of distribution service revenues as determined in the Cost Allocation Informational filing or whether it also included the allocation of miscellaneous revenues.

Response:

The column in question was derived by taking the Revenue Requirement Including Net Income from Worksheet O1 of the Cost Allocation Informational Filing row 35 less Miscellaneous Revenues at row 19.

vi. If the calculation of the Column referenced in part (e) also included miscellaneous revenues, please confirm that this is inconsistent with the way in which the next two columns (“Existing Rates” and “Cost Allocation”) are determined and indicate the adjustments required to make the value comparable.

Response:

Not applicable as miscellaneous revenues was excluded from the column in part (e).

Question #30

Reference: Exhibit 9/Tab 1/Schedule 1, page 2

a) Please provide the derivation of the allocation factors used to allocate the LV costs to customer classes.

Response:

The Low Voltage charges were allocated to the customer classes based on the proposed test year revenues for the Transmission Connection component of the RTSR.

Customer Class Name	Test Year Revenues [6] Transmission - Connection	Class Share	Low Voltage Charges [7]
Residential	219,306	32.2%	29,326
General Service Less Than 50 kW	94,186	13.8%	12,595
General Service 50 to 2,999 kW	275,575	40.5%	36,851
General Service 3,000 to 4,999 kW	85,633	12.6%	11,451
Unmetered Scattered Load	1,729	0.3%	231
Sentinel Lighting	159	0.0%	21
Street Lighting	3,922	0.6%	525
TOTAL	**680,511**	**100.0%**	**91,000**

Question #31

Reference: Exhibit 9/Tab 1/Schedule 1, pages 3-5

a) Please provide a schedule that sets out the billing determinants; rates; and resulting revenues used to derive the Fixed/Variable %'s at Existing rates in Table 4 and confirm whether the rates used:
- Exclude the Smart Meter rate adder
- Exclude the LV charge adder
- Allow for the transformer ownership allowance.

Response:

Customer Class	2009 Billing Determinants			2008 Rates								
	Customers / Connections	kwh	kW	Monthly S/C $	Volumetric Rates $	Total Fixed Charges	Fixed Charge %	Total Variable Charge	Variable Charge %	Total Charges	Total Charge %
Residential	5,710	45,046,630		13.01	0.0153	$ 891,445	**56.40%**	$ 689,213	**43.60%**	$ 1,580,659	**58.61%**
GS < 50kW	687	21,809,071		13.69	0.0177	$ 112,860	**22.62%**	$ 386,021	**77.38%**	$ 498,881	**18.50%**
GS > 50 to 2,999 kW	53		166,526	41.96	2.9804	$ 26,687	**5.10%**	$ 496,314	**94.90%**	$ 523,001	**19.39%**
GS > 3,000 to 4,999 kW	1		43,874	558.01	1.6740	$ 6,696	**8.36%**	$ 73,445	**91.64%**	$ 80,141	**2.97%**
USL	2	400,443		14.29	0.0177	$ 343	**4.62%**	$ 7,088	**95.38%**	$ 7,431	**0.28%**
Sentinel Lighting	35		122	0.46	1.7575	$ 193	**47.40%**	$ 214	**52.60%**	$ 408	**0.02%**
Street Lighting	1,658		3,066	0.16	1.0613	$ 3,183	**49.45%**	$ 3,254	**50.55%**	$ 6,437	**0.24%**
Total						$ 1,041,408		$ 1,655,549		$ 2,696,957	**100.00%**

The above table excludes the Smart Meter Rate Adder, includes the LV charges in the volumetric rate, and does not reflect the lower rates applicable for transformer ownership.

b) If different from that provided in response to part (b), please provide a schedule that sets out the 2009 fixed and variable billing determinants and revenues (dollars and %) by customer class based on current (approved 2008) rates. For purpose of the schedule please use: a) the monthly service charges excluding the smart meter rate adder; b) variable charges excluding any charges for LV cost recovery and c) GS>50 variable revenues that include the transformer ownership discount (where applicable).

Response:

2009 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES
(Excludes Smart Meter Adder, LV Charge Adder and Reflects lower rates applicable for Transformer ownership)

Customer Class	Fixed Rate	Customers / Connections	Fixed Charge Revenue	Variable Rate Less LV	per	Volume	Transformer Allowance KW	Transformer Allowance Rate	Variable Charge Revenue	TOTAL	% of Total
Residential	$ 13.01	5,710	$ 891,445	$0.0142	kWh	45,046,630			$ 639,662	$1,531,107	62.21%
General Service Less Than 50 kW	$ 13.69	687	$ 112,860	$0.0168	kWh	21,809,071			$ 366,392	$ 479,253	19.47%
General Service 50 to 2,999 kW	$ 41.96	53	$ 26,687	$2.6289	kW	166,526	98,235	(0.60)	$ 378,839	$ 405,526	16.48%
General Service 3,000 to 4,999 kW	$558.01	1	$ 6,696	$1.1722	kW	43,874	43,180	(0.60)	$ 25,521	$ 32,217	1.31%
Unmetered Scattered Load	$ 14.29	2	$ 343	$0.0168	kWh	400,443			$ 6,727	$ 7,070	0.29%
Sentinel Lighting	$ 0.46	35	$ 193	$1.4954	kW	122			$ 182	$ 376	0.02%
Street Lighting	$ 0.16	1,658	$ 3,183	$0.7992	kW	3,066			$ 2,450	$ 5,634	0.23%
Total			$1,041,408						$1,419,775	$2,461,183	100.00%

The only change from the table prepared for the response to part a) is the removal of the LV charge component from the variable rates.

c) Please provide a schedule that contrasts CWHL's proposed monthly service charges for each customer class with the OEB Target Range as derived from CWHL's Cost Allocation Informational filing.

Response:

Summary	Residential	GS <50	GS>50-Regular	GS >50-Intermediate	Street Light	Sentinel	Unmetered Scattered Load
Customer Unit Cost per month - Avoided Cost	$ 5.92	$ 11.14	$ 72.36	$ 261.58	$ 0.05	$ 0.10	$ 5.85
Customer Unit Cost per month - Directly Related	$ 8.09	$ 16.28	$ 102.90	$ 367.90	$ 0.09	$ 0.19	$ 10.54
Customer Unit Cost per month - Minimum System with PLCC Adjustment	$ 15.60	$ 27.34	$ 130.45	$ 361.36	$ 10.28	$ 8.85	$ 16.65
Proposed 2009 Fixed Charges (including Smart Meter Funding Adder of $0.27)	$ 14.27	$ 15.71	$ 130.72	$ 558.55	$ 2.36	$ 2.72	$ 16.65

d) Using the fixed percentages provided set out in Table 3, please calculate the monthly fixed service charge that would result from maintaining the fixed/variable split for each class. Note: Please use the fixed/variable splits from the response to part (b) if different from Table 3.

Response:

Since part (b) produces results different from Table 4 (3) Centre Wellington Hydro has provided the calculation of the monthly fixed service charge based on the revenue and fixed percentages from part (b) in the first table below.

The second table below provides the monthly fixed service charge using the revenue from part (b) above and the fixed percentages from Table 4 (3).

Both tables have been provided as it was difficult to interpret the question.

Fixed Charge Calculation based on Part (b)

		A	B	C	A*B/C
Customer Class	TOTAL	Monthly Revenue	Fixed % from part (b)	Customers / Connections	Monthly Fixed Charge
Residential	$1,531,107	$127,592	58.22%	5,710	$ 13.01
General Service Less Than 50 kW	$ 479,253	$ 39,938	23.55%	687	$ 13.69
General Service 50 to 2,999 kW	$ 405,526	$ 33,794	6.58%	53	$ 41.96
General Service 3,000 to 4,999 kW	$ 32,217	$ 2,685	20.78%	1	$558.01
Unmetered Scattered Load	$ 7,070	$ 589	4.85%	2	$ 14.29
Sentinel Lighting	$ 376	$ 31	51.43%	35	$ 0.46
Street Lighting	$ 5,634	$ 469	56.51%	1,658	$ 0.16
Total	$2,461,183				

Fixed Charge Calculation based on Table 4

Customer Class	TOTAL	A Monthly Revenue	B Fixed % from Table 4	C Customers / Connections	A*B/C Monthly Fixed Charge
Residential	$1,531,107	$127,592	56.40%	5,710	$ 12.60
General Service Less Than 50 kW	$ 479,253	$ 39,938	22.62%	687	$ 13.15
General Service 50 to 2,999 kW	$ 405,526	$ 33,794	5.10%	53	$ 32.52
General Service 3,000 to 4,999 kW	$ 32,217	$ 2,685	8.36%	1	$224.45
Unmetered Scattered Load	$ 7,070	$ 589	4.62%	2	$ 13.61
Sentinel Lighting	$ 376	$ 31	47.40%	35	$ 0.42
Street Lighting	$ 5,634	$ 469	49.45%	1,658	$ 0.14
Total	$2,461,183				

Question #32

Reference: Exhibit 9/Tab 1/Schedule 9, page 1

a) Based on a recent 12 consecutive months of actual billing data, please indicate the percentage of total residential customers that:
   - Consume less than 100 kWh per month
   - Consume 100 -> 250 kWh per month
   - Consume 250 -> 500 kWh per month
   - Consume 500 -> 750 kWh per month
   - Consume 750 -> 1,000 kWh per month
   - Consume 1,000 -> 1,500 kWh per month

Response:

The following table represents the percentage of total residential customers based on the most recent 12 consecutive months of actual billing data that:

- Consume less than 100 kWh per month – 0.84%
- Consume 100 -> 250 kWh per month – 4.94%
- Consume 250 -> 500 kWh per month – 26.16%
- Consume 500 -> 750 kWh per month – 32.69%
- Consume 750 -> 1,000 kWh per month – 17.92%
- Consume 1,000 -> 1,500 kWh per month – 13.10%
- Consume more than 1,500 kWh per month – 4.35%

Question #33

Reference: CWHL's Rate Maker Model, Received by OEB August 18, 2008

a) The above files are not "expandable" to full screen size and therefore difficult to use. Please provide a revise electronic version that can be "maximized" to full screen size.

Response:

Centre Wellington Hydro filed a revised electronic version of the "Ratemaker Model" which was "expandable" to full screen size with the Board Secretary on September 12, 2008.