



***PUBLIC INTEREST ADVOCACY CENTRE  
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC***

**ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7**

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: [piac@piac.ca](mailto:piac@piac.ca). <http://www.piac.ca>

Michael Buonaguro  
Counsel for VECC  
(416) 767-1666

December 16, 2008

**VIA MAIL and E-MAIL**

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

Dear Ms. Walli:

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

Please find enclosed the second round of interrogatories submitted on behalf of VECC.

Yours truly,

Michael Buonaguro  
Counsel for VECC  
Encl.

**Innisfil Hydro Distribution Systems Limited (IHDSL)**

**2009 RATE APPLICATION**

**VECC Round 2 IRs**

**Question #17**

**Reference:** Schools Energy Coalition IR #18 c)

- a) Please explain more fully why and how (in IHDSL's view) the geometric mean approach addresses outliers appropriately?

**Question #18**

**Reference:** Energy Probe IR #2 d) and #4

- a) Energy Probe #4 shows that the September 2008 customer count for the Residential and GS<50 customer classes exceeds IHSDL's 2008 year-end forecast. Please update the 2008 and 2009 customer count forecast for these two classes and update the overall 2009 load forecast by customer class provided in response to Energy Probe # 2 d) accordingly.

**Question #19**

**Reference:** OEB Staff IR #6.2.

- a) With respect to Table 6.23, please provide the 2008 values.

**Question #20**

**Reference:** VECC #1 d).

- a) The response provided used a different set of adjustments than those set out in VECC's original question. Please provide an alternate cost allocation run adjusted as per VECC's request.

### **Question #21**

**Reference:** VECC #2 a)

- a) The response indicates that Column A values are based on the 2006 Cost Allocation Informational filing with the \$10,284 associated with the transformer ownership allowance removed from the GS>50 kW class. However, the \$10,284 represents the 2009 “cost” of the transformer ownership allowance discount (per VECC #1 c)). Was the “cost” of the transformer ownership allowance also \$10,284 for 2006?
- b) If not, please what adjustments must be made to the Application?
- c) Also, if not, please revise the response to VECC #1 d) accordingly.

### **Question #22**

**Reference:** VECC #4 a)

- a) The response does not reflect the impact of the transformer ownership allowance on class revenues, as requested in the original IR. Please provide a revised response that reflects the lower rates applicable for transformer ownership where appropriate.

### **Question #23**

**Reference:** VECC #4 b)

- a) The original question requested that a comparison and comments be provided regarding the percentage of revenues allocated to the residential class in the Application (Exhibit 8/Tab 1/Schedule 2 – Table 4) relative to results of VECC #4 a). However, the response compared the percentages in the Application to the results of the Cost Allocation Informational filing. Please provide a response to VECC #4 b) based on the comparison requested.

#### **Question #24**

**Reference:** VECC #14 b) & c)

- a) With respect to the response to VECC #14 b):
  - What was the date of the Concensus forecast from the 6 chartered banks used by THES?
  - The last line of the response states “2008-2010 was forecasted based on the historical actual (1998-2005).” Please clarify this statement.
- b) With respect to the response to VECC #14 c):
  - Please confirm that the 0.7% GDP growth rate is applicable to 2009 (and not 2008).
  - What were the annualized 2008 and 2009 growth rates underlying load forecast in IHDSL’s Application?

#### **Question #25**

**Reference:** IHDSL’s Interrogatory Responses

- a) In its interrogatory responses IHDSL has identified a number of revisions required to its Application. Please add an additional column to Exhibit 7, Tab 1, Schedule 1 (page 2) to reflect the impact of the revisions IHDSL has acknowledged as being required and for each line item that has changed provide a cross reference to the appropriate IR responses.

#### **Question #26**

**Reference:** Response to VECC #11 a), Appendix C, pp 7-11 and Exhibit 2, Tab 3, Schedule 2, Table 5 and Table 6

- a) With respect to the response to VECC #11 a) in Appendix C, there is an entry on page 7 for 2008 spending of \$3,502, 918 on “Smart Metering.” Please provide the actual spending to date on this initiative in 2008 and please indicate how the spending is being treated for regulatory purposes.
- b) Please confirm that in comparing the proposed 2008 and 2009 capital expenditures in the pre-filed evidence to 2008 and 2009 amounts shown in the five-year capital plan filed in response to VECC #11 a), the appropriate comparisons to be made are between the amounts shown in Table 5 and Table 6 of Exhibit 2, Tab 3, Schedule 2 and the amounts shown on page 8 of VECC #11 a) Appendix C at the line “Total Capital Budget” for 2008 and 2009. If unable to so confirm, please explain.

- c) Please indicate whether the table shown on pages 7-8 of Appendix C are “corrected” to reflect capital contributions.
- d) Please provide an explanation for the variance between the 2008 Total Capital budget of \$8,222,721 shown on page 8 of Appendix C of the response to VECC IR # 11a) with the Total 2008 Capital Expenditures of \$3,442,560 shown in Table 5 of Exhibit 2, Tab 3, Schedule 2.
- e) The five-year plan indicates a Total Capital budget of \$4,503,300 for 2009 (Appendix C, page 8), while Table 6 of Exhibit 2, Tab 3, Schedule 2 indicates Total 2009 Capital Expenditures net of contributions to be \$6,497,892 or almost \$2 M in excess of the amount in the five-year plan. Please provide an explanation for this variance.