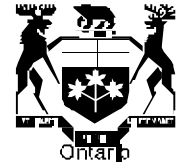


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**BY E-MAIL**

December 19, 2008

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

Dear Ms. Walli:

Re: **Middlesex Power Distribution Corporation  
2009 Incentive Regulation Mechanism (2009 IRM) Rate Application  
Board File Number EB-2008-0194**

Please find attached Board staff interrogatories in the above proceeding. Please forward the attached documents to Middlesex Power Distribution Corporation and all other parties in this proceeding.

Yours truly,

*Original Signed by*

Martin Benum  
Advisor

Encl.

**Question #1**

Ref. D3.1 Tier 2 Adjustment WorkSht  
Middlesex 2009 2GIRM Managers Summary  
OEB Decision and Order RP-2005-0020/ EB-2005-0351 April 12,

2006

In the 2006 EDR rate application RP-2005-0020/ EB-2005-0351 Middlesex requested and was approved to include amounts for capital and operation expenses as Tier 2 adjustments. Page 4 of the OEB Decision and Order RP-2005-0020/ EB-2005-0351 April 12, 2006 itemized the adjustments.

*In its Application, Middlesex Power proposed the following Capital and Operation and Maintenance programs related to its Tier 2 adjustments:*

*Capital*

- *Automated Mapping Facility Management Global Information System - \$250,000*
- *Fleet Requirements - \$200,000*
- *Line Loss Improvement Program - \$150,000*

*Operation and Maintenance*

- *PCB Elimination - \$50,000*
- *Distribution Station Maintenance and Over Head Line Maintenance - \$84,600*

Further in the decision the Board added the following:

*However, the Board particularly notes for the Applicant's attention that the Board's approval of the cost consequences of the Tier 2 plan extends only to the 2006 rate year. The Board makes no findings regarding the spending plan and rate consequences beyond 2006.*

Page 3 of the Middlesex 2009 2GIRM Managers Summary states:

*MPDC was approved a Tier 2 Adjustment of \$134,600 in the 2006 EDR application (EB-2005-0351), the original proposed was for 3 years,*

- a) Please expand on the comment included in the manager summary "*the original proposed was for 3 years*". Does Middlesex have supporting documentation supporting three years of inclusion in rates?
- b) Per the Boards decision extract above staff suggests that Middlesex was approved the Tier 2 plan for the 2006 rate year only. Did Middlesex attempt to address discontinuation of the collection of the amount of \$134,600 with the Board prior to this application? If so, please provide supporting evidence.

- c) Middlesex was required to report to the Board on the Tier 2 operating expenses. Please provide a copy of the most recent report filed and any other supporting documentation, if any.
- d) In the manager summary it is explained that Middlesex does not intend to come in for rebasing until 2014. Has Middlesex segregated or intends to segregate any funds related to the potential over collection of Tier 2 operating expenses to a deferral account. If not, how does Middlesex propose to address the over collection for the Tier 2 adjustment?

**Question #2**

Ref. Rural or Remote Electricity Rate Protection ("RRRP")

By letter dated December 17, 2008, the Board informed the electricity distributors of the approval it has given to the IESO regarding the level of charge the IESO may apply to its Market Participants for the Rural or Remote Electricity Rate Protection (RRRP) program. In that letter, the Board stated: "Distributors that currently have a rate application before the Board shall file this letter as an update to their evidence along with a request that the RRRP charge in their tariff sheet be revised to 0.13 cents per kilowatt-hour effective May 1, 2009."

- a) If Middlesex has not done so, please file the required addition to the evidence as outlined in the December 17th letter.