



***PUBLIC INTEREST ADVOCACY CENTRE  
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December 19, 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: Vulnerable Energy Consumers Coalition (VECC)  
EB-2008-0226  
COLLUS Power Corp. – 2009 Electricity Distribution Rate Application**

Please find enclosed the second round interrogatories of the Vulnerable Energy Consumers Coalition in the above-noted proceeding.

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC  
Encl.

cc: Mr. Darius Vaiciunas  
COLLUS Power Corp.

**COLLUS Power Corp (COLLUS)**  
**2009 Electricity Rate Application**  
**Board File No. EB-2009-0226**

**VECC's Interrogatories**  
**(Round #2)**

**Question #35**

**Reference:** Interrogatory Response Summary, page 2

- a) COLLUS has "requested consideration by the Board of providing a variance account that could be used in the event of the loss of our other Large Use Customer". Is COLLUS formally requesting that the Board approve such an account?
- b) If yes, please indicate precisely how the account would work (e.g., for what years would the account apply and what would be recorded in the account?)

**Question #36**

**Reference:** OEB Staff IR # 1.6 and Energy Probe #17

- a) With respect to Staff #1.6, does the 2009 budget reflect the costs of a three year tree-trimming cycle?
- b) What is the tree-trimming cycle period reflected in the 2006 and 2007 spending levels (per 1.6 (b) (i))?
- c) It appears that between 2007 and 2008 COLLUS hired two new line personnel and also shifted from partially using internal staff for tree trimming to contracting out for all tree trimming work. Specifically what additional needs are being met by the new line personnel and increased availability of internal staff?

**Question #37**

**Reference:** OEB Staff #1.9 and VECC #6 b)

- a) With respect to the services provide to COLLUS Power by COLLUS Solutions, how was the “cost-based” value determined in each case (e.g., were the “costs” based on actual recorded time spent and costs directly incurred or based on an allocation of COLLUS Solutions total costs)?
- b) In those cases where the charge to COLLUS Power was based on an “allocation” of COLLUS Solutions costs, please indicate the allocator used and the basis for its selection.

### **Question #38**

**Reference:** OEB Staff #1.2 c) and VECC #20 a)

- a) Schedule OEB IR #1.2 (c) - 2 revises the compensation costs for 2009 from those included in the original Application. Is COLLUS proposing to revise its overall 2009 forecast OM&A and Revenue Requirement? If so, please confirm what the new values are.

### **Question #39**

**Reference:** OEB Staff #3.6 (page 45 of 71) and VECC #11

**Preamble:** COLLUS indicates that one of the reasons for not delaying the construction of MS #9 is because a large developer in the Town of Creemore has indicated they will be advancing their planned development ahead of schedule.

- a) What is size (i.e., # of residential and non-residential connections) and the change in timing of the development?
- b) Please outline the impact of this “advancement” on COLLUS forecast customer count (per Exhibit 3/Tab 2/Schedule 2, page 1) for 2009. If it has no impact, please explain why. If it does, please update the load forecast in Exhibit 3 accordingly.

### **Question #40**

**Reference:** OEB Staff IR #3.7 a) and VECC #4a)

- a) Please explain the significant change in the values of the reliability measures reported for 2007 relative to earlier years.
- b) What is the basis for the 2008 and 2008 reliability target values?

- c) Please reconcile the average customer count values for 2007 reported in Schedule OEB-3.7-1 a) versus those set out in Exhibit 3/Tab 1/Schedule 1, Table 1.

**Question #41**

**Reference:** OEB Staff IR #6.1 & 8.1

- a) Based on the results reported in the above IRs, the weather normalized kWhs for 2004 are:
- Residential – 128,552,058 kWh (wholesale) and 118,612,344 kWh (retail @ 1.0838 loss factor)
  - GS < 50 kW – 48,953,350 kWh (wholesale) and 45,168,251 kWh (retail @ 1.0838 loss factor)
  - GS > 50 kW – 118,435,659 (wholesale) and 109,278,150 kWh (retail @ 1.0838 loss factor)

Please reconcile these values with those set out in the Application – Exhibit 3/Tab 2/Schedule 2, page 4

**Question #42**

**Reference:** OEB Staff #9.2

- a) COLLUS is now proposing a 5.5% increase in its Retail Transmission Connection Service Rates for 2009. Please indicate what the impact of this revision will be on COLLUS' 2009 working capital requirements and rate base.

**Question #43**

**Reference:** Energy Probe #8  
OEB's RPP Price Report, October 15, 2008, Table ES-1

- a) What portion of COLLUS sales volume for 2009 is associated with RPP customers?
- b) For RPP customers, is COLLUS invoiced monthly by the IESO for all of the elements set out in Table ES-1? If not, for which ones?
- c) For non-RPP customers, is COLLUS invoiced monthly by the IESO for all of the elements set out in Table ES-1? If not, for which ones?

#### **Question #44**

**Reference:** VECC #30 c)

- a) The response to the IR only provides the bill impact calculations. Please also provide a table equivalent to that provided in response to VECC IR #31 based on the “alternate scenario”:

#### **Question #45**

**Reference:** VECC #31

- a) Please provide footnotes to the Table explaining:
- How the proration of the Miscellaneous Charges in column (C) was done.
  - How the “costs” by customer class in column (E) were determined.

#### **Question #46**

**Reference:** VECC #32 a)

- a) The response does not appear to account for the transformer ownership allowance that is credited to certain customers in the GS>50 and Large Use classes. Please re-do the table to include the impact on revenues of the approved 2008 transformer ownership allowance discount.

#### **Question #47**

**Reference:** VECC #33 c)

**Preamble:** The response provided appears to have removed \$187,730 related to the transformer ownership allowance. This value reflects the 2006 EDR which was based on 2 Large Users. However, COLLUS has revised its Cost Allocation to exclude ALCOA. Therefore the Cost Allocation Run results presented in Table 2 (Exhibit 8/Tab 1/Schedule 2) should have already excluded the transformer ownership discount attributable to ALCOA from both revenue and costs. As a result, the amount removed for the transformer ownership allowance in response to VECC #33 c) should have been less than \$187,730.

- a) What was the amount of the transformer ownership allowance discount included in the 2006 EDR for ASLCOA?
- b) Please confirm whether the Preamble is correct in that for VECC#33 c) an amount of \$187,730 was removed from the costs and revenues. If not please explain what value was removed.
- c) Please confirm the value of the transformer ownership allowance included in the Revised Cost Allocation Run undertaken by COLLUS to exclude ALCOA and used as the basis for Table 2 (Exhibit 8/Tab 1/Schedule 2).
- d) If required, please revise Table 2 (and provide an updated Cost Allocation Run – Excluding ALCOA) that excludes the transformer ownership discount associated with ALCOA. If no revision is required, please explain why.
- e) If required, please revise the cost allocation proposal set out in Table 5 (Exhibit 8/Tab 1/Schedule 2) and update the proposed rate and bill impact calculations. If no revision is required, please explain why.
- f) If required, please revise the response to VECC #33 c). If no revision is required, please explain why.