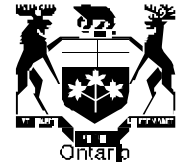


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BY E-MAIL

December 23, 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: Orangeville Hydro Limited / Grand Valley Energy Inc.
2009 Incentive Regulation Mechanism (2009 IRM) Rate Application
Board File Number EB-2008-0177 / EB-2008-0204**

Please find attached Board staff interrogatories in the above proceeding. Please forward the attached documents to Orangeville Hydro Limited / Grand Valley Energy Inc. and all other parties in this proceeding.

Yours truly,

Original Signed by

Martin Benum
Advisor

Encl.

Question #1

Ref. 2009 Harmonization Managers Summary

Orangeville / Grand Valley is proposing to harmonize the distribution rates between the two utilities. Staff reviewed the resultant differences comparing billing determinants time's rates before and after harmonization. Staff noted that two rate classes in Grand Valley show significant reduction in the resultant rate revenue; General Service 50 to 4,999 kW and Street Lighting. Table One below shows that General Service 50 to 4,999 kW rate revenue is reduced by \$16,998 and Street Lighting by \$2,926.

Table One

GSGT50		Before Harmonization		Proposed Harmonization	
	Bill Det.	Rates	Billed	Rates	Billed
Cust/Conn	7	\$ 233.53	\$ 19,617	\$ 187.87	\$ 15,781
kW	6372	\$ 3.9430	\$ 25,125	\$ 1.8773	\$ 11,962
			<u>\$ 44,741</u>		<u>\$ 27,743</u>
					\$ 16,998
SL		Before Harmonization		Proposed Harmonization	
	Bill Det.	Rates	Billed	Rates	Billed
Cust/Conn	152	\$ 0.93	\$ 1,696	\$ 0.09	\$ 164
kW	286	\$ 5.8302	\$ 1,667	\$ 0.9580	\$ 274
			<u>\$ 3,364</u>		<u>\$ 438</u>
					\$ 2,926

In many of the 2008 Cost of Service rate application decisions the Board has applied the 2006 Cost Allocation informational filing study results to adjust Revenue / Cost Ratios for Street Lighting and other rate classes to target band widths.

- a) Did Orangeville /Grand Valley take into consideration the impact of the changes to these two rate classes and the potential volatility of rates swings when the applicant comes in for a cost of service filing?

Question #2

Ref. Orangeville Hydro Tariff of Rates and Charges Effective May 1, 2008

Page 2 of 4 of the above referenced Tariff includes a General Service 50 to 4,999 kW – Time of Use rate class. The 2GIRM Rate Generator does not include this rate class. The Orangeville Hydro Inc. Managers Summary has not addressed the exclusion of this rate class. The 2009 Harmonization Managers summary, page 1, identifies that the “data” was included in the General Service 50 to 4,999 kW rate class.

- a) Is Orangeville / Grand Valley proposing to discontinue this rate class?
- b) Has Orangeville / Grand Valley made any previous applications to remove this rate class to the Board? If so please provide documentation, and a brief summary of the resulting decision.
- c) If Orangeville / Grand Valley is proposing to discontinue this rate class please provide a detailed explanation why the Board should consider this proposal?
- d) If Orangeville / Grand Valley is proposing to discontinue this rate class has the applicant adjusted the rates of any other rate class to compensate?

Question #3

Ref. MADD’s Decision and Order EB-2008-0053 (July 14, 2008)

The following has been extracted from page 4 of the referenced decision

OHL and GVEI indicated that the amalgamated company will retain the rate schedules for customers in each of the service areas, and will apply for harmonized rates for 2010.

- a) Please explain why the applicant has accelerated the harmonization of rates.
- b) Would there be any parties affected by the harmonization who would object to the accelerated approval of harmonized rates, and if so have they been notified by the applicant.

Question #4

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 Orangeville / Grand Valley has not done so, please file the required addition to the evidence as outlined in the December 17th letter.