Westario Power Inc.
24 East Ridge Road
R.R. #2
Walkerton, ON
N0G 2V0
Tel: (519) 507-6937
Fax: (519) 507-6887

December 23, 2008

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

Dear Ms. Walli:

Re: EB-2008-0250
Westario Power Inc. – 2009 Electricity Distribution Rate Application

Please find attached responses to AMPCO Interrogatories.

I trust this meets your satisfaction. Should you require additional information, please feel free to contact me at 519-507-6666 ext-216 or lisa.milne@westario.com.

Yours truly,

Lisa Milne, CGA
President/CEO

AMPCO Interrogatory #1

Ref: Exhibit 8, Tab 1, Schedule 2, Page 2

The existing and proposed revenue/cost ratios are shown on page 2 and the GS 50 to 4,999 kW is overcontributing (166.28%), whereas the residential and GS<50 customer classes are undercontributing. The overcontribution by customers in the GS 50 to 4,999 kW customer class is $2,890.67 annually.

Question

a. WPI proposes to begin working towards the elimination of cross-subsidization. Over what time period is WPI planning to move its cost allocation ratios to 100% for the GS 50 to 4,999 kW customer class?

Response

The table on page 2 of Exhibit 8, Tab 1, Schedule 2 shows the proposed revenue to cost allocations for the rate classifications in the test year. All of the 2009 rates have been adjusted to move or remain within the target ranges established in Board Staff Discussion Paper (EB-2007-0667) and approved by the Board in subsequent proceedings. WPI will consider further adjustments following the completion of the rate design review or earlier as directed by the Board in the current proceeding.

Question

b. The revenue to cost ratio for street lighting is moving from 50.04% to 75.05%. What is the impact on the other customer classes?

AMPCO Interrogatory #1

Response

By moving the revenue to cost ratio for the Street Lighting class from 50.04% to 75.05%; the only class that was impacted was the General Service 50 to 4,999 kW class. The overall effect reduced the revenue to cost ratio for the General Service 50 to 4,999 kW class from 168.03% to 166.28%.

AMPCO Interrogatory #2

Please provide the data for the following table:

Customer Size	# of Customers	Total Annual kWhs	Average Monthly Usage	Average Peak kW – Monthly

Response

Customer Size	# of Customers	Total Annual kWhs	Average Monthly Usage	Average Peak kW – Monthly
50 – 250 kW	156	75,185,028.07	40,684.54	106.3702
251 – 500 kW	18	*25,388,060.25*	117,537.32	328.1069
501 – 1000 kW	5	16,256,043.55	270,934.06	619.3765
1001 – 3000 kW	2	25,955,397.58	1,081,474.90	2,140.02
3001 – 5000 kW	1	21,157,764.17	1,763,147.01	3,988.663

AMPCO Interrogatory #3

Ref: Exhibit 9, Tab 1, Schedule 7, Page 1

WPI is proposing to delete the GS 50 to 4,999 kW – TOU rate classification. The rate class has one customer and the bill impact on this customer for 2009 is a 14.79% increase or $1,820.13 per month.

Question

a. How long has this customer been a TOU customer?

Response

This customer has been a TOU customer since 1990 with the predecessor utility.

Question

b. When is the normal peak demand for this customer?

Response

Normal peak for this customer is in the month of February.

Question

c. What would be the impact on the other rate classes if the rate increase was implemented over 2 years? For example 10 % in year one and 5% in year two.

AMPCO Interrogatory #3

Response

If the rate increase was implemented over 2 years, the short fall in year 1 would be approximately $590 per month or $7,075 per year. The total annual impact on the other rate classes would be as follows:

Residential	$4,379.75
General Service Less Than 50 kW	$1,007.94
General Service 50 to 4,999 kW	$1,395.16
Unmetered Scattered Load	$24.68
Sentinel Lighting	$0.47
Street Lighting	$265.25

Question

d. Has WPI contacted this one customer to advise them of the proposed increase outside of the notice of application?

Response

WPI has not contacted this one customer to advise them of the proposed rate increase outside of the Notice of Application.

AMPCO Interrogatory #4

Ref: Exhibit 9, Tab 1, Schedule 8, Page 1

In the GS 50 to 4,999 kW customer class, the proposed 2009 distribution volumetric rate is increasing 46.6% from the 2008 rate.

Question

a. Please explain this increase.

Response

The overall increase in distribution rates is a reflection of the increase in WPI's revenue requirement as evidenced in Exhibit 1, Tab 1, Schedule 3, page 7 of 9, Table 1.

WPI's current approved rates for this customer class has a fixed/variable split of 42.19%/57.81%. The corresponding fixed rate is $239.89 per month. Using the cost allocation methodology, the calculated floor fixed rate is $48.41, and the calculated ceiling fixed rate is $239.89. As WPI's current fixed rate for this rate class is at the calculated ceiling amount, WPI is proposing a fixed rate of $239.89, which results in a fixed/variable split of 33.55%/66.45%.

Although there is a 44.6% increase in the volumetric rate, the corresponding 0.3% increase in the fixed rate results in a overall increase of 14.3% of the total distribution charge as evidenced in Exhibit 9, Tab 1, Schedule 9, Attachment, page 18 of 48.

Question

b. Please explain the differences in the increase in the distribution volumetric rate between all of the customer classes.

AMPCO Interrogatory #4

Response

The overall increase in distribution rates is a reflection of the increase in WPI's revenue requirement as evidenced in Exhibit 1, Tab 1, Schedule 3, page 7 of 9, Table 1.

Each rate category has a different fixed/variable split as evidenced in Exhibit 9, Tab 1, Schedule 1, Page 3 of 6, Table 3.

Differences in the increase in the volumetric rates will vary due to the fact that the volumetric distribution charge is driven by the fixed/variable split of each of the classes, the revenue requirement and the load forecast for each of the classes.

Westario Power Inc.
24 East Ridge Road
R.R. #2
Walkerton, ON
N0G 2V0
Tel: (519) 507-6937
Fax: (519) 507-6887

December 23, 2008

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

Dear Ms. Walli:

Re: EB-2008-0250
Westario Power Inc. – 2009 Electricity Distribution Rate Application

Please find attached responses to Vulnerable Energy Consumers Coalition (VECC) Interrogatories

I trust this meets your satisfaction. Should you require additional information, please feel free to contact me at 519-507-6666 ext-216 or lisa.milne@westario.com.

Yours truly,

Lisa Milne, CGA
President/CEO

VECC Interrogatory #1

Ref: Exhibit 1/Tab 1/Schedule 3, page 4, Lines 10-14

Question

a. What was the rationale or basis for WPI adopting a three-year cycle for tree trimming?

Response

As per the Distribution System Code, Appendix C, Table C1 for an urban utility the recommending tree trimming cycle is three years. Westario Power has found that the three year cycle is the most effective timing considering local tree growth.

Question

b. Does the reference to a three year schedule for substation maintenance mean that sub-station maintenance is performed once every three years or that WPI has established a three year forward schedule as to when maintenance on its substations will occur? If the former, what was the basis for selecting 3 years as the appropriate maintenance cycle? If the latter, on what basis is the frequency maintenance of sub-stations determined?

Response

As per the Distribution System Code, Appendix C, Table C1 recommends a three-year maintenance cycle be performed on substations. Westario Power is geographically distributed and operates 27 substations, so rather than a three-year cycle Westario

VECC Interrogatory #1

Power utilizes a four-year substation maintenance cycle. After two complete cycles (8 years), our substation inspection and repair is proving effective and economical.

VECC Interrogatory #2

Ref: i) Exhibit 1/Tab 1/Schedule 8, lines 23-27
ii) OEB Guideline G-2008-0002 (Smart Meter Funding and Cost Recovery)

Question

a. Specifically what OEB Decisions is WPI using as precedent in reference (i)?

Response

WPI refers to decisions including but not limited to Wellington North Power Inc. (EB-2007-0693) and Lakefront Utilities Inc. (EB-2007-0761). Please also refer to response to Board Staff Interrogatory #26.

Questions

b. Is WPI's request for $1.00 Smart Meter Rate adder consistent with the Board's Guidelines (per reference (ii))? In particular, please indicate where WPI's application addresses each of the issues raised on page 10 of the Guideline.

c. Has WPI been "authorized" to install smart meters? If yes, what is the status of WPI's implementation plans? If no, what is WPI's understanding as to when it will be authorized?

Responses

The Ontario Energy Board released document G-2008-002 "Guideline for Smart Meter Funding and Cost Recovery". As part of the Guide, the OEB established two distinct

VECC Interrogatory #2

types of distributors, "Non-Implementing Distributors", as noted in Section 1.3, and "Distributors Implementing Smart Meters" in Section 1.4.

Westario Power Inc. participated in the Ministry sanctioned extension of the London RFP as an Authorized Distributor under O. Reg. 235/08.

Westario Power Inc. is proceeding with deployment of smart meters through purchase arrangements with a qualified as per the findings of the Fairness Commissioner. It is Westario Power's intention to complete installation by the end of 2009. Together with a consortium, of distributors as part of the Cornerstone Hydro Electric Concepts (CHEC), Westario Power is in contract negotiations with the qualified smart meter vendor, an installation contractor, and a network service provider.

Please also refer to response to Board Staff Interrogatory #26.

VECC Interrogatory #3

Ref: Exhibit 1/Tab 1/Schedule 9, page 1

Question

a. Please provide a schedule that sets out the calculation of 2009 Net Revenues at current rates ($8,472,147) showing:

- Rates, loads and revenues by customer class
- Other Distribution Revenues

Response

Please see the attached table.

VECC Interrogatory #3

2009 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES

Customer Class Name	Fixed Rate	Customers (Connections)	Fixed Charge Revenue	Variable Rate	per	Volume	Variable
Residential	$10.61	18,875	2,403,165	$0.01	kWh	197,649,413	
General Service Less Than 50 kW	$19.46	2,365	552,275	$0.01	kWh	70,476,543	
General Service 50 to 4,999 kW	$239.89	252	725,427	$2.22	kW	448,543	
General Service 50 to 4,999 kW - TOU	$43.68	0	0	$0.33	kW	0	
Unmetered Scattered Load	$4.40	69	3,643	$0.05	kWh	501,647	
Sentinel Lighting	$1.35	6	97	$6.96	kW	17	
Street Lighting	$2.31	6,077	168,454	$1.96	kW	11,037	
Gross Revenue (before Transformer Allowances)			3,853,062				
Transformer Allowances				($0.60)	kW	116,200	
Total Revenue			3,853,062				
Less: Pass-through amount embedded in distribution rates *							
DISTRIBUTION REVENUE			3,853,062				

4080-Distribution
4082-Retail S
4084-Service Transaction Reques
4210-Rent from
4225-Late
4235-Miscellaneous
4325-Revenues from Merchan
4355-Gain on Disposition of Utility ar
4390-Miscellaneous Non-
4405-Interest and

Question

b. Please confirm whether the rates used to determine Net Revenues included:

- The existing smart meter rate adder
- The existing LV rate adder
- The reduced revenue due to transformer ownership allowance discounts

VECC Interrogatory #3

Response

The rates used to determine Net Revenues exclude the existing smart meter rate adder, the existing LV rate adder and the transformer ownership allowance.

VECC Interrogatory #4

Ref: Exhibit 1/Tab 2/Schedule 1

Question

a. When were the distribution rates for the various pre-merger service areas harmonized?

Response

The distribution rates for the various pre-merger service areas were harmonized effective January 1, 2002.

Question

b. Can WPI provide of examples of other utilities with #6 Copper Conductor that have initiated replacement programs (per page 12)?

Response

From a survey of 29 Ontario LDCs, and their approach to undersized primary conductor, eleven (11) LDCs replied. Five replied regarding undersized conductors, six (6) replied that they did not have undersized conductors, or did not have a removal program.

LDC	Position on No 6 copper
1	Typically replace #6 copper, but do not have a documented process for replacing it. Have unofficially adopted the term "restricted conductor" when speaking of No 6 copper.
2	Have a program to remove No 6 copper over the next 6 to 10 years It is known to have a high risk of failure
3	Not targeting No 6 copper but are managing its decommissioning through their voltage conversion program.
4	No 6 copper is recognized as operational an issue, and is removed when possible.
5	Has an on-going program identified within their recent OEB approved rate application.

VECC Interrogatory #4

FortisBC presented a report to the BC Utilities Commission that stated:
"*To date, upgrades of legacy copper conductor have primarily been undertaken when the conductor failed.*

FortisBC is now concerned that the global issue of the deterioration of the legacy copper is not resolved. Fortis BC notes that "[p]ast experience and laboratory analysis has shown that deterioration has compromised the integrity of these conductors and they pose a risk not only to the line crews who work on them, but also to the general public".

FortisBC provides a summary of the independent laboratory analysis (Exhibit B–1, Appendix A) which includes the following points:

- *annealing (softening) of the copper conductor can lead to ductile overload failure under normal operating stress;*
- *annealing is occurring due to elevated service temperatures from high contact resistance within connections;*
- *the increase in contact resistance is from the large scale build up of corrosion product within the connection;*

APPENDIX A
Order No. G–165–08
Page 5 of 10

- *similar conditions are likely to exist in the majority of the hot tap connections and additional failures can be expected;*
- *additional splice connections showed evidence of annealing; and*
- *Conductor material properties outside of connection areas were below today's specified requirements for copper conductor wire, resulting either from long service life or less stringent standards at the time of installation.*

FortisBC presented the above to the BCUC for the purpose of applying for a rate increase to pay for targeted undersized wire program, which lay outside their regular capital programs. The BCUC denied the application and recommended that FortisBC deal with the issue within its existing capital programs -- which is what Westario is proposing to do.

Question

c. Are there still any surplus facilities/equipment/land as result of the 2007 centralization (per page 13)? If so, what is their net book value and what are WPI's plans with respect to disposition?

VECC Interrogatory #4

Response

There are no surplus facilities, equipment or land as a result of the 2007 centralization.

VECC Interrogatory #5

Ref: i) Exhibit 2/Tab 2/Schedule 1, Attachment
ii) Exhibit 2/Tab 3/Schedule 1, page 8 (Table 1)

Question

a. Are the capital expenditure values reported in Table 1 of Reference (ii), net of capital contributions?

Response

The values reported in Table 1 of Reference (ii) are 'gross' capital expenditures and do not reflect capital contributions.

Question

b. Please reconcile the following differences between the capital additions prior to capital contributions reported in reference (i) and the capital spending reported in reference (ii):

- 2006 - $7,411,633 (additions) vs.$3,946,600 (spending)
- 2007 - $5,467,906 (additions) vs. $3,024,100 (spending)
- 2008 - $2,925,250 (additions) vs.$2,634,200 (spending)
- 2009 - $3,064,400 (additions) vs. $2,7779,700 (spending)

Response

	2006	2007	2008	2009
Distribution Plant	3,946,600	3,024,119	2,634,200	2,779,700
Distribution Plan Additions for 2005 only*	3,330,033			
Meters				30,000
General Plant			291,060	254,700
Admin and Operations Centre	135,000	2,443,787		
Total	**$7,411,633**	**$5,467,906**	**$2,925,260**	**$3,064,400**

VECC Interrogatory #5

The table shown as Exhibit 2/Tab 2/Schedule 1 details the variance between the 2006 EDR approved and the 2006 Actual. Because the 2006 EDR approved balances are based on 2004 actuals, the 2006 variance includes additions for both 2005 and 2006. The table shown as Exhibit 2/Tab 3/Schedule 1, page 8 (Table 1) details actual expenditures by year on the Distribution Plant only.

VECC Interrogatory #6

Ref: i) Exhibit 2/Tab 3/Schedule 1

ii) Exhibit 1/Tab 2/Schedule 1, page 15

Question

a. With respect to Commercial and Industrial Services (page 10), line 15 indicates the total cost is $351,000 and line 20 indicates the capital contributions are $351,000. Please confirm if these services are fully paid for by capital contributions.

Response

Westario Power confirms that Commercial and Industrial Services are fully paid for by capital contributions.

Question

b. In total, what is the capital spending on new services in 2008 and 2009 and how many new services will be installed in each year?

Response

Year	No of services	Total Costs	Contributed Capital	Net (WPI Capital)
2008 to Oct 31	211	$239,940.44	$128,395.25	$83,645.41
2009 budgeted	280	$172,321.00	$50,000.00	$122,321.00

VECC Interrogatory #6

Question

c. With respect to the Copper Conductor Replacement (pages 15-17), is WPI targeting its program to address (as a priority) those areas where copper wire is in areas with a high public presence (e.g., schools, residential areas, high traffic areas, etc.)? If not, why not?

Response

The replacement priority is determined by how badly the pole line is degraded and whether the degraded pole-line is in a public place. These types of projects identified in the 2009 budget are as follows:

Type	No of Projects
Proximity to a school	3
High traffic area	3
Residential	2

Question

d. With respect to pole replacement (pages 19-20), how frequently does WPI visually inspect each of its poles?

Response

Westario Power follows the recommendation of the Distribution System Code Appendix C, Table C1, and inspects poles once every three years.

Question

e. Per Table 1 (page 8), there is a significant decline in spending on the Reliability category in 2009 versus the 2006-2008 period. Please explain the reason for the

VECC Interrogatory #6

drop in spending in this area. How much of it is related to the butyl rubber cable replacement program being put on hold in 2009 (reference (ii))?

Response

The reliability category has been redefined for the 2009 budget. In the past, pole-line renewal projects were lumped into the reliability category. While including line replacements was not inaccurate, in 2009 we decided to focus the reliability category on its essential components, i.e. those projects which directly affect widespread system reliability. The butyl rubber cable projects are important, and do affect system operation. These will not be abandoned but have been deferred for the 2009 budget year to focus on other more important projects.

Question

f. Reference (i) states that the Copper Conductor Replacement program is more heavily weighted than the Butyl Rubber Cable Replacement program. Presumably this is with respect to WPI Asset Management Policy (Exhibit 2/Tab 3/Schedule 1, Attachment)

- Please provide the supporting analysis.
- Are all of the capital projects proposed for 2009 more heavily weighted than the Butyl Rubber Cable Replacement program (i.e. why was it put "on hold" as opposed to "scaled back")?

Response

The butyl rubber cable replacement scored lower in the 2009 project analysis and since it involves a high capital cost which may be mitigated by combining it with pole-line

VECC Interrogatory #6

renewals, the replacement has been deferred one year. It will be included into the 2010 budget as the cable will continue to age and pose a failure risk if it is not replaced.

Please refer to response to Board Staff IR 20 c. The response provides an analysis for the projected 2009 capital projects. The butyl rubber replacement project is not included in the analysis as it scored lower than the 2009 projects identified.

Question

g. The schedule describes WPI's capital program activities for 2009. Please provide a discussion of WPI's 2008 capital program.

Response

2008 Projects of the Distribution Plant

The following addresses the various key projects within the distribution plant components of Westario Power's 2008 Capital Budgets. Overall, Westario Power plans to spend a total of $2,634,200 on distribution plant in 2008 on the following projects:

Category	2008 Budget
Public and Worker Safety	317,700
Regulatory	27,000
System Reliability	1,599,400
Customer Demand	690,100
Total	$2,634,200

<u>Public and Worker Safety Projects</u>

These projects involve the replacement of deteriorated or substandard infrastructure and electrical equipment that pose serious and likely risks to public and worker safety. Public and Worker Safety projects can involve the complete rebuilding of deteriorated lines or the selective replacement of line components. Renewal decisions are based on the need to maintain the integrity, safety and reliability of the system.

VECC Interrogatory #6

Westario Power maintains its distribution system according to a plant assessment that uses a combination of time based and condition based maintenance inspections. Despite performing proper maintenance, these distribution assets will ultimately fail at some point in time and they have reached a point where no reasonable amount of maintenance will improve the reliability, maintainability and especially the safety of the equipment.

Identified projects are scored against a pre-established set of criteria in categories including reliability, public safety, worker safety, and prudence of expense.

Projects in this group, for the most part, are driven by safety hazards and the fact that rebuilt plant ultimately benefits customers through improved reliability. In addition, after a rebuild, distribution plant assets that are designed to current standards are less costly to maintain and reduce safety risks to the general public and workers. In some cases the severity of the hazards is high. Westario Power has taken a managed approach to prioritizing and replacement of such plant.

The project budget estimate is based on detailed engineering estimates of the individual project components. Some capital projects are multi-year projects.

<u>Pole Line Conversion to Underground</u>

This pole line was built on a narrow street, and the wire overhangs the building roofs. There is no room in the road allowance for proper CSA compliant guying. After multiple options were examined, Westario Power decided to bury the plant in order to protect the customer premises and safely manage the plant.

<u>Structure Replacements</u>

VECC Interrogatory #6

Westario Power maintains its distribution plant according to an assessment that uses a combination of time based and condition inspections. Two projects in this class are in an existing underground area where the structures have decayed. In one project, fiberglass transformer foundations are decaying and the sidewalls are collapsing, exposing the cables to the public. In the second project, junction boxes have decayed and are crumbling. The energized voltage cables are accessible, exposing the public to potential contact hazards.

No. 6 Copper Replacement

The wire is growing brittle and is no longer suitable for power distribution. The wire poses a public safety issue should the wire break and fall. Because of the low capacity of the wire, the protection equipment at the substation does not sense the fault, and does not automatically operate to isolate the line.

Westario Power will actively target this wire for replacement. This will be an ongoing budget item for some time to come. The program will improve public safety and improve system reliability. In all cases these projects also result in increased conductor sizes. The larger conductor sizes have lower line losses leading to cost savings.

Regulatory Project

During an inspection, the ground gird at a Westario Power substation was found to be less than adequate to meet current requirements. The Electrical Safety Authority issued bulletin DSB-04-07, on February 27, 2007 outlining its expectations for the grounding of substations energized from a 44 kV feeder. This project is required to meet these new standards by replacing the OESC code-compliant ground grid at this substation.

VECC Interrogatory #6

System Reliability Projects

The planned work for 2008 includes four System reliability projects. The primary driver for these projects is the service interruptions caused by first contingency equipment failures that cannot be restored through switching to alternative feeders or substations. By considering the risk associated with the failure of assets, Westario Power makes prudent investment decisions to achieve high levels of reliability and optimize the utilization of its assets.

System Reliability projects can involve the complete rebuilding of lines, installing switching equipment or building backup loops on the distribution system. System Reliability projects are scored against a pre-established set of criteria in categories including reliability, public safety and worker safety, and prudence of expense.

Projects in this group, for the most part, benefit customer reliability. After a System Reliability project is completed, the distribution system is more flexible in terms of its capability to have service restored through switching operations. In System Reliability projects, most plant is at end of its useful life, is difficult to maintain, and would cause prolonged outages if it failed.

Expenditures

Defective Pole Replacements	$162,800
Insulator Replacements	$83,200
Hanover MS2 Cable Replacement	$43,200
Palmerston MS Recloser Replacement	$101,900
5kV Butyl Cable and Poletran Replacement	$950,200
Substation transformers	258,100
	1,599,400

VECC Interrogatory #6

The project estimate is based on detailed engineering estimates of the individual project components. Some capital projects in the System Reliability project pool are multi-year projects.

Defective Pole Replacement

Westario Power has a large quantity of defective poles across the service territory. There is a risk of poles falling from high winds and ice loading at significant risk to the public. Many of the poles are on circuits that deliver power to commercial and industrial customers, who would be at risk if there was no program to deal with these poles.

Predecessor utilities did not have a replacement program for defective poles. Many poles are in excess of 40 years old. Poles targeted for replacement have excessive shell rot. In many cases poles are already broken, and are supported only by the conductors on them. The actual quantity of poles replaced is determined by the complexity of the task and equipment on the pole. Typically 30 to 40 poles are replaced annually in this category.

Insulator Replacement

Porcelain insulators have been the source of many system failures. Due to age of the insulator and porcelain construction, these insulators break-off at the base and the conductors usually contact adjacent energized conductors or grounded attachments, causing widespread system outages. On occasion, fault current levels have been high enough to reflect back through the substation transformer and cause interruptions to the incoming 44 kV sub-transmission supply.

Hanover MS2 Cable Replacement

The existing secondary cable is aged and deteriorating. The work will necessitate shutting down the substation while the secondary cables are replaced.

VECC Interrogatory #6

Palmerston MS Recloser Replacement

This project is required to replace the substation reclosers at Palmerston MS. The existing reclosers appear to have been installed without much consideration for supporting adjacent feeders. As a result, two of the three feeders are incapable of picking-up the load of an adjacent feeder. By installing properly sized and coordinated reclosers, system reliability will be improved and operational issues will be addressed.

5kV Butyl Cable and Poletran Replacement

In the past 5kV butyl rubber cable and "Pole Trans" transformers were used to service residential neighborhoods. The 5 kV cable is direct buried and is failing as it has surpassed its 30 year lifespan. The Pole Tran transformers are heavily loaded and extremely congested, posing worker safety and reliability issues.

New conduit is bored and set into placed and new cables are pulled through the conduits. The Pole Tran transformers are replaced with new pad mount transformers, with sufficient capacity and improved accessibility.

Substations Transformer

Two replacement substation transformers will be acquired in 2008.

A replacement substation transformer will be acquired for, and placed in service at Walkerton MS1. Dissolved gas analysis indicates that the paper insulation is breaking down. This may be a function of age, a manufacturing defective, or a combination of both. The transformer is more than 40 years old and must be replaced.

A spare substation transformer will be acquired for the Town of Harriston. Harriston is the only Westario municipality served by a 13,860/8,000V distribution system. Westario Power does not own a spare substation transformer of this voltage, and the substation

VECC Interrogatory #6

has no alternative supply. The substation will be acquired in 2008 and the backup transformer installed. In 2009, the substation will be commissioned at the existing Harriston substation yard, which has sufficient space to accommodate the second unit.

2008 Customer Demand Projects - Total costs $690,100
Description: Projects in this group include installations of service wires and transformers to connect new customers to the electrical distribution system, new subdivision development, and roadway relocations.

The work planned for 2008 includes residential services in existing subdivisions, 30 residential "in-fill" services outside of subdivisions, low voltage service upgrades, commercial/industrial customers which are typically padmount services, and new subdivisions.

Westario Power is not aware of any requirements for plant relocation to accommodate other utility work or municipal or provincial roadwork.

The Westario Power is obligated under the Distribution Code to connect new customer services. The replacement component is justified on the basis of the obligation to meet changing customer needs.

Relocation projects are performed primarily at the request of third parties who need plant relocated in order to do their work. Projects in this group benefit customers by increasing reliability as permanent relocations that are built to current standards replace plant that is usually older and less reliable.

VECC Interrogatory #6

Expenditures

The estimated requirements for new services in 2008 are based on the known customer requests as well as historical data on connections of similar services.

Westario Power performs an economic evaluation (prepared in accordance with prescribed valuation methodologies) of service projects that require new facilities to be built on the distribution system or those that require an increase in capacity on the distribution system. The economic evaluation is used to determine if the stream of future revenues associated with the expansion is sufficient to pay for the capital cost and ongoing maintenance costs of the distribution system expansion to supply the service. If there is a shortfall between the present value of the projected costs and revenues, the customer pays the difference as capital contribution in accordance with the Distribution System Code.

Low Voltage Services**:** The estimated requirements for new services in 2008 are based on the known customer requests as well as historical data on connections of similar services.

The cost of new services is collected from customers in the form of capital contributions. This amount is included in Westario Power's budgeted spending on Distribution Plant-related projects; however it is not included in Westario Power's rate base.

Subdivision Development

The work planned for 2008 includes approximately 4 subdivisions; providing facilities for about 200 new residential services in those subdivisions. The cost of new services is collected from customers in the form of capital contributions. This amount is included in Westario Power's budgeted spending on Distribution Plant-related projects; however it is not included in Westario Power's rate base.

VECC Interrogatory #6

Commercial/Industrial Services

The estimated requirements for new services in 2008 are based on the known customer requests as well as historical data on connections of similar services.

The cost of new services is collected from customers in the form of capital contributions. This amount is included in Westario Power's budgeted spending on Distribution Plant-related projects; however it is not included in Westario Power's rate base.

VECC Interrogatory #7

Ref: i) Exhibit 2/Tab 3/Schedule 3, page 1
ii) Exhibit 2/Tab 2/Schedule 1, Attachment

Question

a. At lines 7-9 WPI states that it does not use the half year rule for determining depreciation related to capital spending for accounting purposes. Has WPI applied the ½ rule in determining the 2009 depreciation associated with the 2009 capital additions?

Response

WPI has applied the ½ year rule for determining the depreciation associated with the 2009 capital additions.

Question

b. With respect to reference (ii), please provide a schedule that sets out the calculation of the amortization associated with the following accounts using the depreciation rates from reference (ii):

- Account #1835 – Overhead Conductors and Devices
- Account #1845 – Underground Conductors and Devices
- Account #1850 – Transformers

In these cases and others, the annual amortization is higher than what results from applying the depreciation rate to the gross book value – please reconcile.

VECC Interrogatory #7

Response

WPI has reviewed the calculation of the amortization and it appears to be correct. Please find attached detailed calculation of amortization for Accounts 1835, 1845 and 1850.

VECC Interrogatory #7

		eDEPRECIATION SCHEDULE						A/C 183500 co 0920				
		OVERHEAD LINES / CONDUCTORS & DEVICES										
		25	YEARS									
210503												
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	TOTAL	ACCUM DEPR
YEAR	3,671,439.22	171,260.23	238,452.26	485,282.14	610,490.14	929,247.32	628,765.25	622,265.01	575,115.00	843,200.00	8,775,516.57	TO DATE
2000	47,070.22										47,070.22	47,070.22
2001	181,218.45	6,884.23									188,102.68	235,172.90
2002	181,218.45	6,849.00	9,540.26								197,607.71	432,780.61
2003	181,218.45	6,849.00	9,538.00	19,418.14							217,023.59	649,804.20
2004	181,218.45	6,849.00	9,538.00	19,411.00	24,410.14						241,426.59	891,230.79
2005	181,218.45	6,849.00	9,538.00	19,411.00	24,420.00	18,582.32					260,018.77	1,151,249.56
2006	181,224.75	6,849.00	9,538.00	19,411.00	24,420.00	37,170.00	12,565.75				291,178.50	1,442,428.06
2007	181,218.00	6,831.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	12,435.51			316,174.51	1,758,602.57
2008	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	11,517.00		340,166.00	2,098,768.57
2009	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	16,864.00	368,517.00	2,467,285.57
2010	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	385,381.00	2,852,666.57
2011	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	385,381.00	3,238,047.57
2012	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	385,381.00	3,623,428.57
2013	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	385,381.00	4,008,809.57
2014	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	385,381.00	4,394,190.57
2015	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	385,381.00	4,779,571.57
2016	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	385,381.00	5,164,952.57
2017	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	385,381.00	5,550,333.57
2018	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	385,381.00	5,935,714.57
2019	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	385,381.00	
2020	181,218.00	6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	385,381.00	
2021		6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	204,163.00	

VECC Interrogatory #7

2022		6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	204,163.00	
		DEPRECIATION SCHEDULE						**A/C 183500 co 0920**				
		OVERHEAD LINES / CONDUCTORS & DEVICES										
		25	**YEARS**									
210503												
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	TOTAL	ACCUM DEPR
2023		6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	204,163.00	
2024		6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	204,163.00	
2025		6,850.00	9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	204,163.00	
2026			9,538.00	19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	197,313.00	
2027				19,411.00	24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	187,775.00	
2028					24,420.00	37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	168,364.00	
2029						37,170.00	25,151.00	24,891.00	23,004.00	33,728.00	143,944.00	
2030						18,585.00	25,151.00	24,891.00	23,004.00	33,728.00	125,359.00	
2031							12,575.50	24,891.00	23,004.00	33,728.00	94,198.50	
2032								12,445.50	23,004.00	33,728.00	69,177.50	
2033									11,502.00	33,728.00	45,230.00	
2034										16,864.00	16,864.00	
											-	
TOTAL	3,671,439.22	171,260.23	238,452.26	485,282.14	610,490.14	929,247.32	628,765.25	622,265.01	575,115.00	843,200.00	8,775,516.57	

1

VECC Interrogatory #8

Ref: i) Exhibit 3/Tab 1/Schedule 2, Attachment 1
ii) Exhibit 3/Tab 1/Schedule 1, Attachment 1

Question

a. With respect to reference (i), please confirm whether the rates used in each year to determine the revenues shown on page 1 include/exclude the smart meter rate adder.

Response

The amounts shown in Exhibit 3/Tab 1/Schedule 2, Attachment 1 exclude the smart meter rate adder.

Question

b. Pease provide a schedule for 2009 that sets out the rates, volumes and revenue for each customer class with the following adjustments:

- Exclude the smart meter rate adder (if required)
- Recognize the lower revenue due to the transformer ownership allowance discount (as required).
- Exclude the LV charge cost adders

VECC Interrogatory #8

Response

2009 Projection	Customers (Connections)	kWh's per Customer (Connection)	kW's per Customer (Connection)	Dist. Rate per kWh	Dist. Rate per kW	Monthly Service Charge [1]	Distribution Revenue
Residential	18,875	10,471		$0.0161		$12.84	6,088,311
General Service Less Than 50 kW	2,365	29,800		$0.0106		$24.05	1,431,632
General Service 50 to 4,999 kW	252	639,653	1,780		$3.2034	$239.89	2,162,305
Unmetered Scattered Load	69	7,270		$0.0475		$11.19	33,116
Sentinel Lighting	6	2,773	3		$20.2204	$3.92	626
Street Lighting	6,077	682	2		$3.6270	$4.28	352,489
Gross Revenue (before Transformer Allowances)							10,068,480
Transformer Allowances							-69,720
Total Revenue							9,998,760
Less: Low voltage charges embedded in distribution rates							-733,477
DISTRIBUTION REVENUE							**9,265,283**

[1] Excluding Smart Meter Rate Adder

VECC Interrogatory #9

Ref: Exhibit 3/Tab 2/Schedule 1 – ERA Load Forecast Attachment

Question

a. Pages 2-6 describe the methodology used to weather normalize WPI's total sales. Please confirm that it was a lack of customer class data (per footnote #1) that led to ERA not developing a weather normalization methodology for each customer class.

- If this was the case, why were 3 years data insufficient?
- If this was not the case, please explain why individual customer classes were not weather normalized, as per ERA analyses for other Ontario LDCs.
- Did ERA undertake any weather normalization analyses using class specific data and, if so, please provide the results and the forecasts for 2008 and 2009 using these results.

Response

The small sample size available (3 years) was only part of the reason wholesale data was utilized rather than class specific data. In addition, as stated on page 2 of the ERA report, the available billing data was of limited use in estimating weather normalized consumption.

WPI does not have a mechanism to accurately prorate billing data to reflect monthly class consumption. The monthly class billing data available from WPI's billing system did not correlate with expected monthly consumption of weather sensitive classes.

There may be several reasons for this, including billing system implementation issues, allocation of unbilled consumption, and the diverse geographical territory WPI serves.

VECC Interrogatory #9

Therefore, it was impossible to weather normalize based on billing data. For this reason, monthly wholesale data was used for the weather normalization and load forecast analysis.

Also taken into consideration is the fact that WPI does not have any Intermediate or Large Use classes, and that Residential and GS<50 classes account for about 60% of total consumption.

Question

b. Per pages 6-7, please provide a revised version of Table #7 using a 30-year definition of weather normal.

Response

Revised Table 7 - Weather Corrected Wholesale kWh, Westario Power				
			30-yr (1971-2000)	
Year	Actual wholesale kWh	%chg	Weather Normal	%chg
2003	446,237,501		442,910,932	
2004	451,255,185	1.1%	461,380,163	4.2%
2005	456,178,576	1.1%	452,948,534	-1.8%
2006	446,710,143	-2.1%	455,489,566	0.6%
2007	459,504,027	2.9%	455,739,283	0.1%
2008F			456,693,207	0.2%
2009F			457,358,701	0.1%

Question

c. Page 8 states that for those classes that have weather sensitive load historic class specific kWh consumption is allocated based on each class' share in wholesale kWh.

VECC Interrogatory #9

- Please indicate how ERA determined which customer classes are "weather sensitive".

Response

ERA assumed that Residential, GS<50 and GS>50 classes had weather sensitive load, consistent with the findings of the Hydro One analysis for most LDCs used in the OEB Cost Allocation filing, including WPI.

Question

d. Please confirm that the ERA's proportional adjustment approach assumes that all weather sensitive classes are equally weather sensitive. What evidence is there that this is the case?

Response

The ERA approach assigns the weather sensitivity in the weather normalized wholesale volumes equally to the weather sensitive classes. This is a simplifying assumption made in order to use this approach to weather normalization.

Question

e. Please provide a schedule that sets out the average (per customer) weather normalized usage for the Residential, GS<50 and GS>50 classes for the years 2004, 2005, 2006, and 2007 based on the ERA weather normalization results. In the same schedule please include the average (per customer) usage forecast for 2008 and 2009.

VECC Interrogatory #9

Response

	Weather Normalized Average Use Per Customer (kWh)		
	Residential	GS<50	GS>50
2004	11,349	30,684	583,501
2005	10,758	29,332	519,110
2006	10,961	29,869	652,027
2007	10,725	29,860	644,399
2008	10,610	29,871	650,406
2009	10,489	29,863	656,048

Question

f. Please provide the average (per customer) weather normalized usage for each customer class as determined and used for WPI's Cost Allocation informational filing. Please confirm which year the data represents and provide the actual usage data and number of customers consistent with these weather normalization results.

Response

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).

VECC Interrogatory #9

WPI – 2004 Weather Normal Average Use Per Customer From Hydro One Analysis for Cost Allocation Informational Filing							
	A	B	C = A / B	D	E	F = E / D	G = F / C
Class	H1 Weather Actual	Actual Retail	Implied Loss	# of cust	H1 Weather Norm (uplifted)	H1 NAC (uplifted)	H1 NAC (not uplifted)
Residential	235,715,541	197,888,859	1.19	17,667	239,658,159	13,565	11,388
GS < 50	75,403,412	70,856,084	1.06	2,340	76,699,831	32,781	30,804
GS > 50	144,913,435	146,754,038	0.99	255	146,047,497	573,110	580,389
Street Light	5,353,155	3,897,046	1.37	6,234	5,353,155	859	625
Sentinel Light	7,299	10,741	0.68	9	7,299	811	1,193
USL	534,101	527,951	1.01	70	534,101	7,612	7,524

Consumption units are kWhs.

NAC = Normalized (for weather) Average Use per Customer.

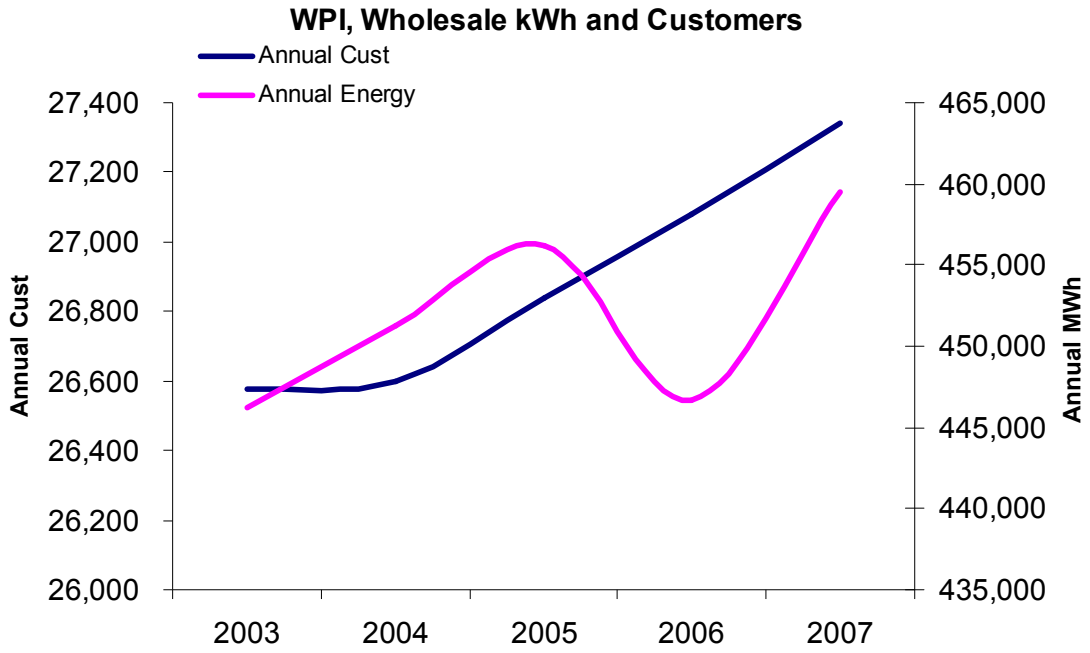
Question

g. With respect to page 11, how has ERA assured that the customer count forecast presented in Table 12 is consistent with the energy forecasts presented earlier?

Response

The ERA model does not directly link customer count and the energy forecast. As can be seen in the chart below, annual energy consumption is not directly related to the number of customers, and often these two quantities move in opposite directions.

VECC Interrogatory #9



Customer forecasts are based on historical growth in the class. Energy forecasts are based on a regression equation that takes into account degree days, peak days, and employment.

Question

h. With respect to page 7, please explain how the BMO forecast (Table 6) can have been prepared in the winter of 2008.

Response

Presumably, the forecast was prepared in the winter of 2008 (sometime between Jan-08 and Mar-08).

Question

i. If more recent forecasts are available, please update Table 6.

VECC Interrogatory #9

Response

Yes, there are updates available to the economic forecasts presented in Table 4. Given that actual monthly data for all but December are available to 2008, we will present forecasts only for 2009. For 2008, the actual year-over-year growth rate for full-time employment in the Stratford-Bruce economic region (CANSIM v2054780) is -2.5%. This is a significantly poorer employment performance than what was being forecast by the chartered banks for Ontario in 2008. A revised Table 4 is produced below:

Updated Table 4 - Employment Forecast – Ontario
(figures in annual percentage change)

	BMO	RBC	Scotia	TD	Avg
	(Nov 28,2008)	(Oct 2008)	(Dec. 1, 2008)	(Oct 16,2008)	
2009	-0.3	1.2	-1.5	-0.4	-0.7

The average in the above table excludes the forecast from RBC, which is inconsistent with the other three more recent provincial forecasts and contradicts RBC's current economic guidance available on their website (http://www.rbc.com/economics/market/daily_e.html).

Question

j. Do the values in Table 12 represent year-end customer counts or yearly average customer counts?

Response

The values in Table 12 represent annual average customer counts.

VECC Interrogatory #10

Ref: Exhibit 3/Tab 5/Schedule 1

Question

a. Please provide a schedule that sets out the underlying rates and billing quantities that support WPI's 2007 LV costs.

Response

Please refer to response to Board Staff IR 37(c).

VECC Interrogatory #11

Ref: Exhibit 4/Tab 2/Schedule 2

Question

a. With respect to page 1, please substantiate the forecast increase in costs for Account #5114 for 2008 and 2009. The values projected are materially higher than the 2006 actual value or the 2007 "normalized value" (per Exhibit 4/Tab 2/Schedule 3, page 9).

Response

The maintenance is determined after inspections by an established substation maintenance contractor licensed by the Electrical Safety Authority. Recommendations to maintain and repair are incorporated into the budget planning. Substation maintenance works are undertaken to improve or maintain reliability to large numbers of customers and to maintain security and safety at the substations.

Question

b. Page 4 states that WPI plans on contracting out cable locating operations in 2009. How much of the 2009 in OM&A in Accounts #5040 & 5045 is associated with this contracting out? What additional activities will the WPI staff that previously did these cable locates be doing in 2009?

Response

Westario Power allocates cable locating to GL 5040. In 2009, Westario Power will contract-out underground cable locating at a total cost of approximately $114,000. Staff

VECC Interrogatory #11

who would have otherwise performed cable locates will be deployed to build capital works.

Question

c. With respect to page 9, please explain why the Account #5135 costs are significantly higher than in any of the previous years.

Response

Costs relating to Account #5135 include third party services, direct labour and a proportionate amount of the 'Engineering Burden'. The increase of approximately $40,000 from 2008 to 2009 is a result of an approximately $6,000 increase in direct labour costs, with the balance of the increase attributable to the proportionate 'Engineering Burden'.

Question

d. With respect to pages 12-13, please provide more information on the recent trends in collections and bad debts to support the 50% increase in bad debt expense and the 8% increase in collection costs for 2009.

Response

Please see the response to Board Staff IR #8.

VECC Interrogatory #11

Question

e. For a number of accounts the amalgamation of the three prior affiliates is offered as the explanation for the variances between 2007 and 2008 as certain costs (e.g., Outside Services, Office Supplies, Property Insurance, Management Salaries and Expenses) were split between the affiliates but are now all WPI's.

- Would the "amalgamation" reduce the costs reported in some accounts where services were previously provided by WP Services Inc. and included burdens that are no longer included in the direct costs? If yes, please indicate which accounts would be impacted.
- Please prepare a schedule that for each the O&M accounts sets out the increase (or decrease) in 2008 costs attributable to the amalgamation relative to 2007.

Response

As per the Master Service Agreements filed as evidence under Exhibit 4/Tab 2/Schedule 4, the services were provided by Westario Power Services Inc. at a fixed amount calculated as the aggregate of all the operations, management and administration costs set out in the 1999 rate applications of the predecessor municipal electric utilities plus the actual depreciation amount for the applicable fiscal year. There were no additional burdens included in these related costs.

The following table provides approximate increases or (decreases) in 2008 OM&A accounts as attributable to the amalgamation in 2007. Additional details on the individual accounts can be found in Exhibit 4, Tab 2, Schedule 2.

VECC Interrogatory #11

Account	Approximate Increase/(Decrease)
5105	($45,000)
5305	($45,000)
5605	$30,000
5610	$50,000
5635	$3,000
5665	($90,000)
5670	($170,000)
Total	**($267,000)**

Please also see response to Board IR #18.

Question

f. With respect to Regulatory costs (page 19), please provide a breakdown of the $240,000 cost for the 2009 Rate Application.

Response

The following amounts are based on the entire rate application process including review, submission, interrogatories, and some form of an oral component.

Costs	Costs to Date	Projected	Total
Legal	$9,700	$50,300	$60,000
Accounting	$1,150	$1,000	$2,150
Consulting	$59,300	$65,700	125,000
Intervenor/OEB Costs		$50,000	$50,000
Miscellaneous	$1,400	$1,450	$1,850
Total	**$71,550**	**$168,450**	**$240,000**

VECC Interrogatory #12

Ref: Exhibit 4/Tab 2/Schedule 3

Question

a. With respect to page 3, is the entire 45.7% increase in 2008 for Account 5040 due a higher volume of cable locates? If not, what else is contributing to the increase? What is the volume increase assumed and what is the basis for this forecast?

Response

As noted in the table below, WPI has had a steady increase of locate requests over the last 4 years. The increase in this account is largely attributable to the direct costs associated with the increase in requests. The balance of the increase would be attributed to a 3% increase in the costs associated with the direct labour.

Year	# of Locates	%-age Increase
2005	1,229	
2006	1,364	10.98%
2007	1,578	15.69%
To November 2008	2,217	40.49%

VECC Interrogatory #13

Ref: Exhibit 4/Tab 2/Schedule 6

Question

a. In a number of cases the vendor provided the service to an affiliate company in 2006 and 2007. Please provide the 3rd party costs to the affiliate in these years.

VECC Interrogatory #13

Response

Vendor (Supplier) 2007	Total 2007 Sales for Vendor	Breakdown of Sales	Products Purchases
ACCURATE METER READING	$ 318,384.96		
		$ 184,107.36	Contracted Metering Services - Reads
		$ 128,837.28	Contracted Metering Services - Disconnects
		$ 5,440.32	Contracted Metering Services - Meter Changes
ADVANCED TECHNOLOGIES	$ 27,258.08		
		$ 27,258.08	Computers & Hardware Maint.
ALEASEE ENTERPRISES	$ 10,532.84		
		$ 10,532.84	Substation & Office Lawn Care Services
AUTOMATED SOLUTIONS	$ 84,317.25		
		$ 14,094.76	ASP Services
		$ 44,796.50	GIS Conversion Project
		$ 17,725.99	Map Maintenance
		$ 6,500.00	Feeder Maps for Emergency Restoration Plan
		$ 1,200.00	Annual PBR Report
BELL CANADA	$ 16,692.62		
		$ 16,692.62	Phone Lines & Toll Free Number
BELL DISTRIBUTION	$ 2,078.41		
		$ 2,078.41	Conference Calls
BELL MOBILITY	$ 19,992.56		
		$ 19,992.56	Cell Phones
BLACK ON BLACK	$ 13,871.00		
		$ 13,871.00	contracted construction

VECC Interrogatory #13

1

BRUCE TELECOM	$ 15,401.04		
		$ 15,401.04	Phone Lines
BUSINESS OBJECTS CORPORATION	$ 29,261.97		
		$ 29,261.97	Computer Software & Licence
CANADA POST CORPORATION	$ 157,888.12		
		$ 157,888.12	Postage
CANADIAN NIAGARA POWER	$ -		
			Contracted IT Services
CARSON'S PLUMBING SUPPLY	$ 9,816.54		
		$ -	
		$ 1,238.31	Dusct and piping
		$ 8,484.00	Transformer Foundations
		$ 94.23	Other supplies
CIBC	$ 55.00		
			Letter of Credit
		$ 55.00	Safety Deposit Box
CREDIT BUREAU OF OWEN SOUND	$ 29,544.58		
		$ 29,544.58	Collections Services
CUPE NATIONAL OFFICE	$ 20,438.37		
		$ 20,438.37	Union Dues collected from Payroll
DANIELS BUSINESS FORMS	$ 13,398.20		
		$ 13,398.20	Business Forms - cheques, billing forms
ELECTRICAL & UTILITIES SAFETY ASSOCIATION	$ -		
			EUSA Inspections
ELECTRICAL SAFETY AUTHORITY	$ 10,817.64		
		$ 10,817.64	Training & Safety Products
ENVIROTECH CONSULTING	$ -		
			contracted PCB services
EPAC	$ 15,164.18		
		$ 15,164.18	Line Hardware

2

VECC Interrogatory #13

1

ERIE THAMES SERVICES	$ -		
			MSP Fees
FOCUS MANAGEMENT SYSTEM	$ 30,578.37		
		$ 30,578.37	Management Training
FortisOntario Inc.	$ 93,500.00		
			Dividends
		$ 93,500.00	contracted Financial Sevices
GE CAPITAL FLEET SERVICES	$ 211,267.56		
		$ 211,267.56	Fleet Services
GLENTEL INC.	$ 10,464.30		
		$ 10,464.30	Radio Repairs
HD SUPPLY UTILITIES	$ 198,914.26		
		$ 7,488.56	Arrestors
		$ 102,540.68	Insulators
		$ 15,897.60	Splice Boxes
		$ 3,275.50	Street Lighting
		$ 15,694.56	Switches & Fusing Units
		$ 20,995.20	Transformer & Accessories
		$ 33,022.17	Line Hardware
HICKS MORLEY	$ 19,981.75		
		$ 19,981.75	Legal services
HOLST OFFICE SUPPLIES	$ 23,969.49		
		$ 23,969.49	Office supplies
IDEAL SUPPLY CO LTD	$ 204,914.30		
		$ 4,371.42	Small Tools and Parts
		$ 2,600.51	Duct and Piping
		$ 454.68	Meter Accessories
		$ 3,688.21	Street Lighting
		$ 189,953.54	Wire and Cable
		$ 3,845.95	Fleet Accessories
ITRON CANADA INC.	$ 280.80		
		$ 280.80	Meter Repairs
JARDINE LLOYD THOMPSON	$ 31,845.74		

VECC Interrogatory #13

		$ 31,845.74	property insurance
KABAR INDUSTRIES LTD	$ 16,967.83		
		$ 10,487.83	Lines Hardware
		$ 6,480.00	Street Lighting
KEN JACKSON CONSTRUCTION	$ 28,310.00		
		$ 28,310.00	contracted construction
KPMG LLP	$ 20,550.00		
		$ 20,550.00	audit & accounting services
LAKEPORT POWER LTD.	$ 344.52		
		$ 344.52	Street Lighting
LAPRAIRIE INCORPORATION	$ 23,722.20		
		$ 23,722.20	Gelwraps
LAWRENCE D. RYDER	$ 15,096.48		
		$ 15,096.48	Legal services
MAILING INNOVATIONS	$ 3,911.66		
		$ 3,911.66	Supplies for Inserters and Maintenance Agreement
MEARIE MANAGEMENT INC.	$ 257,592.56		
		$ 45,693.75	Auto insurance
		$ 211,898.80	Benefits
MIDWESTERN COMMUNICATION	$ 6,994.71		
			New Photocopier
		$ 841.70	Cell Phone Asseccories
		$ 2,233.44	Supplies for Printers & Photocopier
		$ 3,919.58	Photocopies
MINISTER OF FINANCE	$ 826,606.56		
		$ 1,818.69	EHT
		$ 2,029.44	Pils Property Tax
		$ 23,387.43	PST Tax Assessment & Interest
		$ 790,586.00	Income Tax for 2006
		$ 8,785.00	MTO - Fleet Renewal
MISC. ONE-TIME VENDORS	$ 134,593.08		
MISC. ONE-TIME VENDOR < $10,000		$ 134,593.08	Miscellaneous Products and Services

VECC Interrogatory #13

1

MUNICIPALITY OF BROCKTON	$ 9,481.93		
		$ 1,670.25	Water & Sewer
		$ 3,811.68	Property Tax
		$ 4,000.00	Equipment Rental
		$ -	Dividends
MUNICIPALITY OF KINCARDINE	$ 51,975.18		
		$ -	Shareholder's Note Interest
		$ 121.00	Garbage Fees
		$ 31,500.00	Rent
		$ 294.37	Water & Sewer
		$ 20,059.81	Property Tax
			Dividends
MUNICIPALITY OF SOUTH BRUCE	$ 350.98		
			Shareholder's Note Interest
		$ 200.98	Property Tax
		$ 150.00	Lawn Care
			Donation
			Dividends
ONTARIO MUNICIPAL EMPLOYEES	$ 280,670.89		
		$ 280,670.89	Omers
PHH VEHICLE MANAGEMENT	$ 46,948.41		
		$ 46,948.41	Fleet Services
PICKARD CONSTRUCTION	$ 192,068.00		
		$ 192,068.00	contracted construction
POLLUTECH	$ -		
			Due Diligence
RECEIVER GENERAL	$ 17,731.14		
		$ 17,731.14	EHT
		$ -	GST
SHEPHERDS UTILITY EQUIPMENT	$ 49,338.77		
		$ 3,731.06	Safety Products
		$ 36,126.87	Tools - New, Repairs and Rentals
		$ 9,480.84	Truck Gear

2

VECC Interrogatory #13

1

SUPER SUCKER HYDRO VAC	$ 56,055.01		
		$ 56,055.01	contracted construction
TAB	$ 23,543.80		
		$ 23,543.80	Filing System Products
THE SPI GROUP	$ -		
			HUB Services
TILTRAN SERVICES	$ 144,029.75		
		$ 144,029.75	Substation Maint.
TOWN OF HANOVER	$ 36,337.50		
			Shareholder's Note Interest
		$ 4,245.28	Dispatch Services
			Repayment of Note
		$ 17,640.00	Rent
		$ 1,094.20	Garbage Fees
		$ 831.01	Water & Sewer
		$ 12,527.01	Property Tax
		$ -	Lawn Care
		$ -	Dividends
TOWN OF MINTO	$ 6,336.09		
		$ -	Shareholder's Note Interest
		$ 3,336.09	Property Tax
		$ 3,000.00	Rent for Tower
		$ -	Dividends
TOWN OF SAUGEEN SHORES	$ 5,204.73		
		$ 5,083.98	Property Tax
		$ 120.75	Garbage Fees
		$ -	Dividends
TOWNSHIP OF HURON-KINLOSS	$ 125,818.54		
		$ 244.60	Property Tax
		$ 125,573.94	Note Repayment
		$ -	Dividends
TOWNSHIP OF NORTH HURON	$ 1,986.46		
		$ 1,836.46	Property Tax
		$ 150.00	Lawn Care
		$ -	Dividends

VECC Interrogatory #13

TUROLIGHT	$ -		
			CDM
UNION GAS LTD	$ 12,313.92		
		$ 12,313.92	gas heating for buildings
UNITED RENTALS OF CANADA	$ 20,861.62		
		$ 8,959.29	Tools, Repairs & rentals
		$ 2,262.28	Truck Accessories
		$ 9,640.05	Safety Clothing and Products
VISA CENTRE CIBC	$ 91,263.07		
		$ 91,263.07	Visa Services
WASTE MANAGEMENT	$ 10,610.85		
		$ 10,610.85	Waste Disposal
WEBER CONTRACTING #7	$ 12,219.23		
		$ 12,219.23	contracted construction
WEILER'S CLEANING SERVICES	$ 14,816.95		
		$ 14,816.95	cleaning services
WESTARIO POWER INC.	$ 36,789.47		
		$ 36,789.47	Hydro Bills
WESTBURNE RUDDY ELECTRIC	$ 77,305.10		
		$ 18,067.69	Wire and Cable
		$ 59,237.41	Line Hardware
WIGHTMAN	$ 21,094.99		
WIGHTMAN COMMUNICATION		$ 5,924.48	Phone Repairs
WIGHTMAN TELECOM LTD		$ 15,170.51	Phone Lines
WILLIAMS MOBILE SERVICE	$ 17,060.85		
		$ 17,060.85	Hydralic Equipment Repairs
WORKPLACE SAFETY & INSURANCE BOARD	$ 25,791.37		
		$ 25,791.37	WSIB
	$ 4,343,324.12		

1

2

VECC Interrogatory #13

1

Vendor (Supplier) 2006	Total 2006 Sales for Vendor	Breakdown of Sales	Products Purchases
ACCURATE METER READING	$ 216,694.09		
		$ 103,220.59	Contracted Metering Services - Reads
		$ 111,823.50	Contracted Metering Services - Disconnects
		$ 1,650.00	Notices
ADVANCED TECHNOLOGIES	$ 5,311.69		
		$ 5,311.69	Computers & Hardware Maint.
ALEASEE ENTERPRISES	$ 11,606.00		
		$ 11,606.00	Substation & Office Lawn Care Services
AUTOMATED SOLUTIONS	$ 84,139.20		
		$ 27,993.60	ASP Services
		$ 9,545.60	Software Maintenance
		$ 46,600.00	Map Maintenance
BEL VOLT	$ 13,963.75		
		$ 13,963.75	Material
BELL CANADA	$ 19,831.15		
		$ 19,831.15	Phone Lines & Toll Free Number
BELL MOBILITY	$ 16,917.78		
		$ 16,917.78	Cell Phones
BLACK ON BLACK	$ 15,932.00		
		$ 15,932.00	contracted construction
BRUCE TELECOM	$ 28,868.47		
		$ 28,868.47	Phone Lines
CANADA POST CORPORATION	$ 150,989.06		
		$ 150,989.06	Postage
CLEARWATER DIRECTIONAL	$ 43,751.05		
		$ 43,751.05	Contracted Services -Simps & Zjobs
CREDIT BUREAU OF OWEN SOUND	$ 51,447.39		
		$ 51,447.39	Collections Services

2

VECC Interrogatory #13

D. LAHN CONSTRUCTION	$ 7,477.82		
		$ 4,581.57	Contracted Services -Simps & Zjobs
		$ 2,896.25	Snow Removal
DANIELS BUSINESS FORMS	$ 15,397.27		
		$ 15,397.27	Business Forms - cheques, billing forms
ELECTRICAL POWER ACCESS	$ 31,105.08		
		$ 4,425.57	Maintenance -Dist.Equip, Services etc
		$ 26,679.51	Material
EUSA	$ 26,239.52		
		$ 26,239.52	Training
ENVIROTECH CONSULTING	$ 20,322.40		
		$ 8,100.00	Training
		$ 12,222.40	PCB, WHIMS, Audit & Consulting
FORTIS ONTARIO	$ 111,690.00		
		$ 111,690.00	Contracted Financial Sevices
GE CAPITAL FLEET SERVICES	$ 319,958.83		
		$ 319,958.83	Fleet Services
GREEN-PORT ENVIRNOMENTAL	$ 11,507.10		
		$ 11,507.10	Legal services
GUELPH UTILITY POLE	$ 11,108.88		
		$ 11,108.88	Material
HD SUPPLY UTILITIES	$ 345,376.39		
		$ 345,376.39	Material
HENDERSON PADDON	$ 19,326.61		
		$ 19,326.61	Engineering -Drawings, Layouts, ect
HOLST OFFICE SUPPLIES	$ 16,591.22		
		$ 16,591.22	Office supplies

VECC Interrogatory #13

IDEAL SUPPLY CO LTD	$ 200,897.91		
		$ 2,983.22	Small Tools and Parts
		$ 195,565.88	Material
		$ 4,744.72	Maintenance -Dist.Equip, Services etc
		$ 856.20	Building Supplies
		$ 1,969.69	Trucks
		$ (5,221.80)	Reels -Return
JARDINE LLOYD THOMPSON	$ 33,820.20		
		$ 33,820.20	property insurance
KABAR INDUSTRIES LTD	$ 42,644.44		
		$ 42,644.44	Material
KEN JACKSON CONSTRUCTION	$ 12,417.50		
		$ 12,417.50	Contracted Services -Simps & Zjobs
KPMG LLP	$ 74,082.17		
		$ 74,082.17	Audit & accounting services
MEARIE MANAGEMENT INC.	$ 297,571.64		
		$ 46,418.92	Auto insurance
		$ 251,152.72	Benefits
MUNICIPALITY OF KINCARDINE	$ 76,764.53		
		$ 180.00	Garbage Fees
		$ 49,145.00	Rent
		$ 875.19	Water & Sewer
		$ 26,564.34	Property Tax
NORAMCO WIRE & CABLE	$ 213,129.40		
		$ 232,990.40	Material
		$ (19,861.00)	Reels -returned
OLAMETER INC	$ 88,654.25		
		$ 88,654.25	Meter Reading
RDII	$ 10,512.60		
		$ 10,512.60	Contracted Services
PICKARD CONSTRUCTION	$ 234,503.40		
		$ 234,503.40	Contracted Services -Simps & Zjobs

VECC Interrogatory #13

1

PITNEYWORKS	$ 12,168.04			
		$	12,168.04	Postage
ROGERS	$ 10,001.81			
		$	10,001.81	Cell phones
RON HOLMES CONTRACTING	$ 7,260.00			
		$	7,260.00	Contracted Services -Simps & Zjobs
SCHMIDT'S PAVING	$ 6,222.64			
		$	6,222.64	Contracted Services -Simps & Zjobs
SHEPHERDS UTILITY EQUIPMENT	$ 16,743.31			
		$	4,309.22	Safety Products
		$	12,434.09	Tools - New, Repairs and Rentals
SUPER SUCKER HYDRO VAC	$ 35,600.00			
		$	35,600.00	Contracted Services -Simps & Zjobs
TILTRAN SERVICES	$ 139,032.65			
		$	27,849.37	Dist. Equipment Inspections
		$	83,645.74	Transformer changeout
		$	27,537.54	Substation Maint.
TOWN OF HANOVER	$ 50,110.38			
		$	27,720.00	Rent
		$	1,447.00	Garbage Fees, etc
		$	1,292.50	Water & Sewer
		$	19,650.88	Property Tax
UNITED RENTALS OF CANADA	$ 49,893.88			
		$	1,284.30	Maintenance -Dist.Equip, Services etc
		$	6,892.09	Safety Items
		$	5,586.04	Contracted Services -Simps & Zjobs
		$	2,040.57	Tools, Repairs & rentals
		$	16,313.18	Trucks
		$	17,777.70	Safety Clothing
WEILER'S CLEANING SERVICES	$ 10,900.00			
		$	10,900.00	cleaning services
WESTARIO POWER INC.	$ 55,057.16			
		$	55,057.16	Hydro Bills

VECC Interrogatory #13

WESTBURNE RUDDY ELECTRIC	$ 124,270.25		
		$ 131,377.93	Material
		$ 1,581.12	Contracted Services -Simps & Zjobs
		$ 502.20	Stores Items
		$ (9,191.00)	Reels -returned
WORKPLACE SAFETY & INSURANCE BOARD	$ 25,444.72		
		$ 25,444.72	WSIB
	$ 3,423,255.63		

1

VECC Interrogatory #14

Ref: Exhibit 4/Tab 2/Schedule 7

Question

a. Please explain the 6% increase in average base wages for management in 2008.

Response

In 2008, executive management undertook a review of management salaries. The purpose of the review was to update the job descriptions of management to reflect their current responsibilities and ensure that the salary ranges offered to management were competitive and fair. A HAY salary evaluation was undertaken by an independent third party and the following recommendations were approved by the WPI Board of Directors and implemented in 2008:

- The position of Chief Financial Officer was approved and the individual that had been in the role of Controller was named the CFO. Due to the additional responsibilities of the job and HAY evaluation, there was a salary increase to this management employee.
- Based on increased responsibilities, the Executive Assistant moved up a 'pay band' under the HAY evaluation resulting in a pay increase.
- Based on the evaluation of the management group, there was one position that did not comply with Pay Equity Legislation. The salary of the identified position was increased in order to comply with the applicable legislation.

With the exception of the three positions identified above, the management employees had an average base wage increase of 3% from 2007 to 2008.

VECC Interrogatory #15

Ref: Exhibit 4/Tab 2/Schedule 8

Question

a. Why are there volumes for Large Use customers reported in this schedule when WPI has no large use customers (per Exhibit 9/Tab 1/Schedule 5)?

Response

Large Use customers are reported in Exhibit 4/Tab 2/Schedule 8 are in fact Primary Metered Customers < 5,000 kW.

Question

b. Why don't the Retail kWh reported here (line D) agree with the totals reported in Exhibit 4/Tab 2/Schedule 9, Attachment 1?

Response

	2004	2005	2006	2007
Ex4/Tab2/Sch8 (D)	427,467,654	426,510,177	430,593,345	438,283,096
Ex4/Tab2/Sch9/Attch 1	427,468,400	426,510,185	430,596,202	438,284,554
Difference (kWhs)	(746)	(8)	(2,857)	(1,458)
	(0.00017%)	(0.000002%)	(0.00066%)	(0.00033%)

The above table provides a reconciliation of the differences between Line D of Exhibit 4/Tab 2/Schedule 8 and Attachment 1 of Exhibit 4/Tab 2/Schedule 9. Because the numbers in Schedule 9 are shown in greater detail by customer class, there are slight differences due to rounding. As documented above, management believes that the differences are not material and would not affect the calculation of the Total Loss Factor.

VECC Interrogatory #16

Ref: Exhibit 4/Tab 2/Schedule 10

Question

a. Does WPI plan to file for an adjustment to its retail transmission rates as directed in OEB Guideline G-2008-0001? If yes, when?

Response

Please refer to response provided in Board Staff IR 43.

VECC Interrogatory #17

Ref: Exhibit 4/Tab 2/Schedule 11

Question

a. What portion of WPI's sales volume for 2009 is associated with RPP customers?

Response

When ERA completed the load forecast for Westario (Exhibit 3, Tab 2, Schedule 1, Attachment) there was no differentiation between RPP and non-RPP customers and sales volumes were separated by customer class. Westario is unable to provide sales volumes for RPP customers as the load forecast was not prepared with that information.

Question

b. For RPP customers, is WPI 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 WPI invoiced monthly by the IESO for all of the elements set out in Table ES-1? If not, for which ones?

Response

Table ES-1 submitted as evidence is from the 'Regulated Price Plan Price Report - May 1, 2008 to April 30, 2009' issued by the Ontario Energy Board on April 11, 2008. The Average Supply Cost of RPP Customers of $54.50/MWh was the commodity price used for the purpose of this application as WPI feels that the OEB report provides the best available estimate of the commodity price.

VECC Interrogatory #17

WPI is invoiced monthly by the IESO for Power, Global Adjustment and Wholesale Market charges. The Global Adjustment charged or credited is allocated to non-RPP customers only. The Power and Wholesale Market charges are charged to both RPP and non-RPP customers.

The Power charge on the IESO invoice is described as 'Net Energy Market Settlement for Non-Dispatchable Load'. WPI is unable to reconcile the underlying elements of the calculation of this charge and the amounts shown in Table ES-1 without considerable effort and resources and assistance from the IESO.

VECC Interrogatory #18

Ref: Exhibit 4/Tab 3/Schedule 1, Attachment 1

Question

a. The schedule does not include the new CCA classes introduced in the 2007 Federal Budget. Please revise as required.

Response

Westario confirms that it has used the new CCA classes as introduced in the 2007 Federal Budget where appropriate. The new CCA classes that are applicable to Westario include Class 50 and Class 1 (6%).

VECC Interrogatory #19

Ref: Exhibit 4/Tab 3/Schedule 1, Attachment 6

Question

a. Please provide cross-references to the where in the application the $1,248,914 (2009 Income before PILs) is determined. Alternatively, please provide the derivation.

Response

The 2009 Income before PILs amount of $1,248,914 is the deemed Return on Equity as calculated on Tab 'D.3 Capital Structure' of the Excel RateMaker model filed with this application. Alternatively, the amount is calculated as follows:

2009 Rate Base = $33,630,199
Deemed Equity = 43.33%
Effective Rate = 8.57%
2009 Income before PILs = $33,630,199 x 43.33% x 8.57% = $1,248,914

Question

b. What are the Deferred and Pre-paid expenses that are added to taxable income ($763,316 in 2009)?

Response

The $763,316 amount added to taxable income is the estimated recovery of Regulatory Assets and projected interest on Regulatory Assets for the year 2009.

VECC Interrogatory #20

Ref: Exhibit 5/Tab 1/Schedule 3, Attachment 1

Question

a. Please provide a schedule that sets out the calculation of the allocation factors (i.e., the retail Transmission Connection revenue by customer class) used for Account #1550.

Response

Customer Class Name	Test Year Revenues Transmission - Connection	Class Share	Proposed Recovery
Residential	1,151,411	47.9%	414,412
General Service Less Than 50 kW	364,944	15.2%	131,350
General Service 50 to 4,999 kW	868,873	36.1%	312,722
Unmetered Scattered Load	2,598	0.1%	935
Sentinel Lighting	26	0.0%	9
Street Lighting	16,526	0.7%	5,958
TOTAL	2,404,377	100.0%	865,375

Question

b. Why is a two year recovery period considered appropriate?

Response

WPI is proposing a two year recovery of Accounts 1508 and 1550 due to the timeframe in which these accounts have accumulated. The principal balance of Account 1508 has accumulated from January 1, 2005 to May 1, 2006. The principal balance of Account 1550 has accumulated from May 1, 2006 to December 31, 2007. Given the two year

VECC Interrogatory #20

accumulation period, WPI felt it appropriate to recovery the balances over the same time period.

VECC Interrogatory #21

Ref: Exhibit 8/Tab 1/Schedule 2

Question

a. Please confirm that for purposes of the 2006 Updated 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

Confirmed.

Question

b. Please confirm that (per Exhibit 9, Tab 1, Schedule 3), WPI is proposing to allocate the cost of the Transformer Ownership Allowance to just the GS>50 class.

Response

WPI is proposing to allocate the cost of the Transformer Ownership allowance to the GS>50 kW class only.

VECC Interrogatory #21

Question

c. Please provide the results of an alternative cost allocation run which is consistent with WPI'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

Based on the question, Westario Power has adjusted the distribution revenue on sheet 'I6-Customer Data' to reflect the amount of the transformer ownership allowance to the class receiving the credit. In the 2006 EDR application (RP-2005-0020/EB-2005-0434) the Transformer Ownership Allowance was applied to the General Service greater than 50 kW class only.

The transformer allowance amount on sheet 'I3-TB Data' has been removed which removes the allocated costs based on the cost allocation model design.

The results are produced on sheet O1 of Exhibit 10, Tab 2, Schedule 39, Attachment A.

VECC Interrogatory #22

Ref: Exhibit 8/Tab 1/Schedule 2, page 2

Question

a) How were costs allocated to classes in the "Allocated Costs" column of the table?

Response

The costs were allocated to classes in the 'Allocated Costs' column using data submitted in the Cost Allocation Informational filing (EB-2007-003). The allocated costs are as follows:

Customer Class	Percentage of Costs	Allocated Costs
Residential	65.23%	6,043,739
General Service Less Than 50 kW	17.56%	1,626,579
General Service 50 to 4,999 kW	11.86%	1,099,079
Unmetered Scattered Load	0.35%	32,323
Sentinel Lighting	0.01%	618
Street Lighting	5.00%	462,945
	100.00%	**9,265,283**

Question

b) Please confirm that for the "Cost Allocation" column, the revenue value use in the Revenue to Cost ratios includes both distribution service and miscellaneous revenues.

Response

Yes, for the "Cost Allocation" column, the revenue values used in the Revenue to Cost ratios include both distribution service and miscellaneous revenues.

Question

c) Please confirm that the allocated revenues used in the first column are net of miscellaneous revenues and that, as a result, the calculation of Revenue to Cost ratios for 2009 is not done on an equivalent basis to that in the Cost Allocation run.

Response

Yes, the allocated revenues in the first column are net of miscellaneous revenues and, as a result, the calculation of Revenue to Cost ratios for 2009 is not done on an equivalent basis to

VECC Interrogatory #22

that in the Cost Allocation run. The difference arises from the fact that miscellaneous revenues for 2009 are forecasted in aggregate only, and not by individual customer class.

Question

d) How would WPI reconcile these differences?

Response

The exclusion of miscellaneous revenues in the calculation of proposed Revenue to Cost ratios for 2009 is not material. A materiality analysis on the exclusion of Miscellaneous Revenues can be conducted by selecting the customer class which has the greatest difference in its share of Miscellaneous Revenues, vs. its share of Base Revenues. In Westario's Cost Allocation filing, the Residential class accounts for 70.0% of Miscellaneous Revenues but only 65.2% of Base Revenues.

To calculate a Revenue-to-Cost ratio that considers Miscellaneous Revenues, a Miscellaneous Revenue amount must be included in both the Allocated Revenue and the Allocated Cost. As there are no class-specific Test Year projections for Miscellaneous Revenues, the best available proxy would be obtained by taking the percentage of Miscellaneous Revenues allocated to the Residential class (70.0%), multiplied by total Miscellaneous Revenues included the proposed 2009 revenue requirement ($669,879, per Exh 1 / Tab 1 / Sch 3, p7). The resulting allocation of Miscellaneous Revenues to the Residential class is $468,915.

The Allocated Cost in this ratio calculation would be based on the total service revenue requirement for 2009 ($9,934,837, per Exh 1 / Tab 1/ Sch 3, p.7), which includes Miscellaneous Revenues. The cost allocation model allocates 65.5% of the service revenue requirement to the Residential class. The Revenue-to-Cost ratio calculation for the Residential class, adjusted to include Miscellaneous Revenues, can therefore be expressed as follows:

$$\frac{\text{Allocated Revenue}}{\text{Allocated Cost}} = \frac{5{,}737{,}063 + 468{,}915}{9{,}934{,}837 \times 65.5\%} = 95\%$$

VECC Interrogatory #22

This result is the same as the ratio value appearing in the Application when expressed to two decimal places, thus demonstrating the immateriality of Miscellaneous Revenues in the calculation of Revenue to Cost ratios.

VECC Interrogatory #23

Ref: Exhibit 9/Tab 1/Schedule 1, page 3

Question

a. Please provide a schedule that sets out the 2009 fixed and variable billing determinants and revenues (dollar 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 and b) variable charges excluding any charges for LV cost recovery.

Response

The following table outlines the corresponding monthly fixed and variable charges using the current 2008 fixed/variable split excluding any smart meter rate adders and variable charges for LV cost recovery.

	Fixed Split	Monthly Fixed Charge	Determinant	Variable Split	Variable Charge	Determinant
Residential	47.76%	$12.10	Per Customer	52.24%	$0.0152	Per kWh
General Service Less Than 50 kW	47.68%	$22.18	Per Customer	52.32%	$0.0098	Per kWh
General Service 50 to 4,999 kW	42.19%	$264.72	Per Customer	57.81%	$2.4451	Per kW
Unmetered Scattered Load	13.82%	$5.39	Per Customer	86.18%	$0.0555	Per kWh
Sentinel Lighting	45.09%	$3.87	Per Customer	54.91%	$19.9643	Per kW
Street Lighting	88.64%	$4.22	Per Customer	11.36%	$3.5751	Per kW

Question

b. If necessary, please reconcile the results from part a) with Table 3 (page 3).

Response

Not Applicable.

VECC Interrogatory #23

Question

c. For those customer classes where WPI is proposing to maintain the current fixed/variable split, please provide a schedule that sets out the derivation of the proposed monthly fixed charge (per Table 4).

Response

	Fixed Split (A)	Allocated Revenue* (B)	Fixed Revenue (AxB)=(C)	# of Customers x 12 months (D)	Monthly Charge (C/D)
Residential	47.76%	$6,088,311	$2,908,260	226,500	$12.84
General Service Less Than 50 kW	47.68%	$1,431,632	$682,539	28,380	$24.05
Sentinel Lighting	45.09%	$626	$282	72	$3.92
Street Lighting	88.64%	$352,489	$312,115	72,924	$4.28

* Allocated Revenue as per Exhibit 9, Tab 1, Schedule 1, Page 6 of 6

VECC Interrogatory #24

Ref: 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 -> 1000 kWh per month

Response

Consume less than 100 kWh per month	-	2.09%
Consume 100 - 250 kWh per month	-	4.46%
Consume 251-500 kWh per month	-	14.87%
Consume 501-750 kWh per month	-	19.08%
Consume 751-1000 kWh per month	-	14.79%
Consume more than 1000kWh per month	-	44.71%

Westario Power Inc.
24 East Ridge Road
R.R. #2
Walkerton, ON
N0G 2V0
Tel: (519) 507-6937
Fax: (519) 507-6887

December 23, 2008

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

Dear Ms. Walli:

Re: EB-2008-0250
Westario Power Inc. – 2009 Electricity Distribution Rate Application

Please find attached responses to Board Staff Interrogatories.

I trust this meets your satisfaction. Should you require additional information, please feel free to contact me at 519-507-6666 ext-216 or lisa.milne@westario.com.

Yours truly,

Lisa Milne, CGA
President/CEO

Board Staff Interrogatory #1

Ref: N/A

a. Given the general economic situation in Ontario has Westario 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?

Response

During the rate application process, Westario Power Inc. did consider the general economic climate in Ontario and how it may affect its business. While some reduction in load and revenue forecasts is likely, it would be difficult to quantify and may not be material to the application. Consideration was given to the bad debt forecast as explained further in Interrogatory 8.

Question

b. If so, please indicate if Westario 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

Westario Power Inc. will not be revising its application for any material impacts due to the general economic situation in Ontario.

Board Staff Interrogatory #2

Ref: E 2 / T 3 / S 1 and E 4 / T 2 / S 2

Question

a. Please provide a list of criteria and the rationale that Westario has used in the prioritization and selection of 2009 maintenance and capital projects in its application.

Response

Please see Attachment to Exhibit 2, Tab 3, Schedule 1 filed as evidence. Refer to Business Procedure WPI-020-08 Asset Management, Appendix A and Appendix B.

Question

b. Please identify, individually, maintenance and capital programs, if any, that Westario may consider as a candidate for a deferral, cut, or partial adjustment, given the current economic situation. Please identify these programs, if any, in a ranking order that Westario would consider, using a ranking of "1" as the first suitable candidate, ranking of "2" as the second suitable candidate, ranking of "3" as the third suitable candidate, etc.

Response

There are no programs that may be deferred. A Management review of project/task appropriateness and its need to be performed in 2009 was performed prior to the budget being finalized.

Question

c. Please identify the rationale for the selection of these maintenance and capital programs and projects.

Board Staff Interrogatory #2

Response

Capital projects are evaluated in the context outlined in WPI-020-08 Asset Management filed as evidence in Attachment to Exhibit 2, Tab 3, Schedule 1. Project scores are assigned and a list of projects is evaluated. Some projects, which otherwise would have scored lower, we inserted as they facilitate high scored projects.

An example would be a project that required undersized conductors to be replaced. This could spawn an upstream project to replace old plant that would not support the new downstream infrastructure. Each project must be reviewed on its merit, as lower scored projects might need to be inserted in order to support an upstream project.

Question

d. Please describe the expected impacts on Westario's revenue requirement, operations and service quality and reliability to customers if the identified programs are reduced, deferred or cut during the economic downturn.

Response

The capital projects identified represent works whose deferment will likely lead to public and worker safety, degraded system reliability and prolonged outages. The age and condition of the plant does not lend itself to deferment or refurbishment, but to replacement.

The two planned maintenance projects (tree trimming and substation maintenance) are necessary operations. The DSC Appendix C, Table C1 recommends a three-year vegetation (tree trimming) cycle.

The DSC Appendix C, Table C1 recommends a three-year maintenance cycle be performed on substations. Westario Power is geographically distributed and operates 27 substations.

Board Staff Interrogatory #2

Westario Power utilizes a four-year cycle of substation maintenance cycle. After two complete cycles (8 years), our substation inspection and repair is proving effective and economical.

As there are no projects that have been identified that can be deferred, there is no impact to the Revenue Requirement.

Board Staff Interrogatory #3

Ref: E 4 / T 1 / S 2

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 the utility's agreement with the numbers for OM&A, which are summarized in the table below.

Response

The table below has been amended to include costs related to Capital and Municipal Taxes.

	2002	2003	2004	2005
Operation	$ 283,252	$ 138,415	$ 97,077	$ 243,683
Maintenance	$ 342,221	$ 718,485	$ 945,725	$ 870,309
Billing and Collection	$ 1,002,357	$ 1,365,207	$ 1,342,165	$ 1,088,679
Community Relations	$ 23,795	$ 4,527	$ 25,607	$ 87,553
Administrative and General Expenses	$ 2,222,847	$ 2,365,763	$ 2,266,594	$ 1,916,798
Total OM&A Expenses	$ 3,874,472	$ 4,592,397	$ 4,677,168	$ 4,207,022
Capital and Municipal Taxes	$ 123,296	$ 147,038	$ 123,549	$ 124,693
Revised OM&A Expenses	$ 3,997,768	$ 4,739,435	$ 4,800,717	$ 4,331,715

Board Staff Interrogatory #4

Ref: E4 / T2 / S1

Please identify the inflation rate used for the 2009 OM&A forecast and the source document for the inflation assumptions.

Response

When preparing the 2009 operating budget, management made every effort to provide 'actual' 2009 figures where possible. This was achieved by contacting existing suppliers and/or contractors and identifying actual costs for 2009. When costs where unknown, forecasted amounts were calculated using a three percent inflationary increase over 2008. This assumed increase was based on the Ontario Consumer Price Index ("CPI") as published by Statistics Canada. The published CPI rate for June 2008 was 2.8% and July 2008 was 3.6%.

Board Staff Interrogatory #5

Ref: N/A

Does the OM&A budget include costs for the change to International Financial Reporting Standards? If so, please provide the total amount included.

Response

Westario Power Inc. has not included any costs related to the transition to the International Financial Reporting Standards ("IFRS") in this Cost of Service application. WPI intends to include incremental costs related to IFRS when guidance is received from the Board.

Board Staff Interrogatory #6

Ref: E4 / T1/ S1

Are there any cost efficiency programs at the utility that are in place now or contemplated in the test year? If so, please describe the programs and include a cost benefit analysis.

Response

Westario Power makes every effort to find efficiencies and cost savings in both its capital and operating projects. The corporation follows a 'Purchasing Policy' which indicates all products or services in excess of $1,000 must be submitted to three vendors for pricing. This ensures that Westario Power is able to procure products and services at the most competitive pricing.

It is difficult to quantify the benefit to the corporation for tendering products and services, however, it has lead the corporation to enter into arrangements that have been of great cost benefit to Westario Power.

Recently, Westario Power switched fleet service providers at no additional cost, and received the benefit of increased fuel volume discounts and better administration which allows more efficient processing of fleet issues.

An example of a 2009 cost efficiency review is as follows. During the 2009 budget process, cable locating was reviewed and a cost benefit analysis was undertaken. Based on the results, Westario Power will contract-out underground cable locating in 2009. It is estimated that approximately $300K in operating savings will be realized. Staff who would have otherwise performed cable locates will be deployed to capital works.

2009 Call center costs estimate	13,000.00
2009 Locate contractor estimate	100,700.00
	113,700.00
2007 Total Westario Power labour costs	441,000.00
Potential savings in 2009	327,300.00

Board Staff Interrogatory #7

Ref: E4 / T2 / S2 / p8

The evidence indicates that Westario is forecasting to spend about $200,000 in 2008 and $350,000 in 2009 on Maintenance of OH Conductors & Devices, Services and Underground services (accounts 5125, 5130 and 5155).

Please provide an explanation for the $150,000 increase between 2008 and 2009. Please indicate whether Westario considered doing some of the work planned for 2009 in 2008 to mitigate this increase

Response

Costs relating to Accounts #5125, 5135 and 5155 include third party services, direct labour and a proportionate amount of the 'Engineering Burden'. The increase in the above accounts is due to an increase in direct labour hours of approximately 10%, with the balance of the increase attributable to the proportionate 'Engineering Burden'. The scheduling of the work was not adjusted as a result of these increases.

Board Staff Interrogatory #8

Ref: E4 / T2 / S2 / p13

The evidence indicates the following expenditure patterns for Bad Debt Expense:

2006 EDR Approved	$175,000
2006 Actual	$6,101
2007 Actual	$159,936
2008 Forecast	$100,000
2009 Forecast	$150,000

Westario explains that the amounts projected for 2008 and 2009 are a reflection of the trend that had been identified in collections and bad debt over the last 18 months.

Question

a. Please elaborate on the factors impacting the trend which would cause the bad debt expense to decrease by about 30% in 2008 (as compared to 2007 actual) and then increase by about 30% in 2009 (as compared to 2008 forecast).

Response

As the result of a number of plant closures and lay offs within the service territory of our distribution company, the ability for customers to pay their monthly hydro invoices has been seriously impacted and there has been a significant increase in the accounts receivable balances that are in excess of 180 days overdue.

The current economic turmoil has dictated the need for Westario Power to re-examine Westario Bad Debt and Collection practice to ensure the business will meet its obligations to reduce the financial risk associated with the potential of unpaid accounts. Despite the large swings in actual results the average bad debt over the last 5 years ($156,578) is slightly above the $150,000 level projected for 2009.

Board Staff Interrogatory #8

Since 2006 there has been a 20% annual increase in disconnection of services for non payment of accounts resulting in higher bad debts and increased collection costs. Westario Power anticipates that with the anxieties felt from the economic turmoil, there will be a significantly greater than 20% increase in the number of collections and bad debts. The heightened activity in collections will increase collection costs in 2009.

It is our focus to work with customers to find payment options that are good for both the customer and the utility. However, management feels it is prudent to budget the bad debt expense for 2009 as noted to reflect the reality of current economic times and the associated financial risks.

Question

b. Please provide the amounts of bad debt expense for 2003, 2004 and 2005.

Response

2003 Bad Debt Expense - $260,000
2004 Bad Debt Expense - $309,503
2005 Bad Debt Expense - $47,350

Board Staff Interrogatory #9

Ref: E4 / T2 / S6 / p4

The evidence indicates that Westario purchased services in 2007 from Westario Power Holdings Inc. in the amount of $462,463 and from Westario Power Services Inc. in the amount of $3,277,651. No such purchased services are forecast for 2008 and 2009, given the corporate amalgamation.

Please identify the OM&A accounts (four digit), and the specific amount, to which these costs were charged.

Response

Account	Westario Power Services Inc.	Westario Power Holdings Inc.
5017	374	
5020	178	
5035	866	
5040	221,309	
5045	9,762	
5065	34,359	
5075	312	
5085	22,360	
5105	46,367	3,632
5110	5,562	
5114	128,156	
5120	72,718	
5125	130,569	
5130	53,347	
5135	156,758	
5145	19,589	
5150	550	
5155	61,846	
5160	52,689	
5175	13,128	
5305	46,367	3,632
5310	196,384	
5315	334,072	
5320	448,454	
5410	185	
5420	8,628	
5605		96,578
5610	252,972	177,555
5615	116,712	1,800
5620	145,216	2,389
5630	110,138	153,949
5635	86,235	3,675
5640	420	

Board Staff Interrogatory #9

5660	10,493	1,558
5665	92,734	7,263
5670	221,250	
5675	110,051	
6035		181
6105	66,541	
6205		10,430
Total	**$3,277,651**	**$462,642**

1

Board Staff Interrogatory #10

Ref: E4 / T 2 / S3 / p4

The evidence indicates that in 2007 Westario received a payment, which it credited to 2007 OM&A, in the amount of $263,400 from Hydro One. The payment was described as related to "meter exit fees".

Question

a. Pease elaborate on the circumstances which led to this credit, including a description of the program, any operational impacts and the calculation used to determine the $263,400 credit.

Response

Please note that Westario erroneously quoted the amount of the rebate in the Application as $263,400. The actual amount of the credit received was for $236,400 as detailed below. There is no change to the balance of account 5114 for the 2007 Actual Year ($108,206).

The credit of $236,400 was received from Hydro One as a result of Board Order RP-2003-0188/EB-2003-0233. The following information is from the Board Order:

APPLICABILITY:
This rate schedule is applicable to the *metered market participants** that are transmission customers of Hydro One Networks ("Networks") and to *metered market participants* that are customers of a Local Distribution Company ("LDC") that is connected to the transmission system owned by Networks.
* The terms and acronyms that are italicized in this schedule have the meanings ascribed thereto in Chapter 11 of the Market Rules for the Ontario Electricity Market.

(a) Interim Annual Wholesale Meter Service Rebate
The *metered market participant* in respect of a *load facility* (including LDC) shall be eligible to receive an annual rebate of $ 5,700 for each *meter point* that is not under the transitional arrangement for *metering installation* in accordance with Section 3.2 of Chapter 6 of the Market Rules for the Ontario Electricity Market.
The Wholesale Meter Service Rebate shall be retroactive from May 1, 2002 and, where

Board Staff Interrogatory #10

applicable, shall be calculated by prorating on a monthly basis, taking into account the number of full months during which the *meter point* is not under the transitional arrangement. The Wholesale Meter Service Rebate covered by this schedule shall remain in place until the next transmission rate proceeding for Networks.

The rebate received in 2007 was for the years indicated below:

2007 Rebate	$97,850
2006 Rebate	$74,862
2005 Rebate	$63,650
Total	$236,400

Question

b. Pease confirm if there are or will be future costs for Westario as a result of this arrangement. If so, please specify.

Response

There currently are and will be ongoing costs for Westario as a result of this arrangement including monthly MSP maintenance costs. The annual costs for these services are estimated at $50,000 for the 2009 Test Year.

Question

c. Please confirm whether Westario's shareholder or rate-payer benefited from this credit.

Response

The credit which was received in 2007 was for the years 2005, 2006 and 2007. There will be no further rebates from Hydro One Networks Inc., as the rebate period ended in 2007. Meter rebates relating to the years 2002, 2003 and 2004 had been received by Westario by December 31, 2004. The rate-payer would have benefited from the previous credits, as the amounts

Board Staff Interrogatory #10

received were applied as an offset to expenses incurred. The net amounts were included in the 2006 EDR Application.

The rebate is provided in respect to the avoided costs of the transmitter and the fact the distributor is now responsible for alternative arrangements for the provision of wholesale metering services. Accordingly, Westario believes that the rebate is not intended to be treated as income in the hands of the utility but rather as an offset to expenses incurred in performance of the additional metering services. Because the rebates for 2005 and 2006 were not received until 2007, the additional costs of metering services for the years 2005 and 2006 were borne by the shareholder as there was no offsetting credit for those years. In 2007, the shareholder received the credit for all three years which exceeded the costs borne by Westario in 2007.

Board Staff Interrogatory #11

Ref: E4 / T 2 / S1

Please identify any non-recurring expenditure items (in excess of $10,000) that are included on the 2009 OM&A forecast.

Response

There are no non-recurring expenditures included in the 2009 OM&A forecast.

Board Staff Interrogatory #12

Ref: E4 /T2 / S7

The Ontario Energy Board's Filing Requirements for Transmission and Distribution Applications guidelines page 17, dated November 14, 2006, require that Applicants provide the following compensation information that includes "Total Compensation by Group".

Question

Please provide total compensation amounts for Executive, Management and Unionized groups for 2006 EDR, 2006 actual, 2007 actual, 2008 forecast and 2009 forecast.

Response

	2006 EDR	2006	2007	2008	2009
Executive	$287,600	$307,200	$317,400	$322,400	$332,500
Management	$749,000	$740,300	$588,900	$814,700	$848,700
Unionized	$1,647,800	$1,970,600	$1,878,000	$2,045,600	$2,117,300
Total	**$2,284,400**	**$3,018,100**	**$2,784,300**	**$3,182,700**	**$3,298,500**

In the "Number of Employees" and "Average Yearly Base Wage", Westario indicates that there are "10" (Full Time Equivalent) executives who make about $25,000/year. If this is incorrect please provide updated tables. Please update the other information in all the tables, if warranted.

The number of Full Time Equivalent Executives should be amended to 2. WPI had erroneously included 10 executive employees as 10 FTEs, when in fact they should have been counted as 2 FTEs. The total costs for executive did not change; however, the averages have been amended. With the exception of the 2006 EDR approved amounts, please note the following amendments:

Board Staff Interrogatory #12

1

	2006 EDR (Unchanged)	2006	2007	2008	2009
Number of Employees (FTEs)	10	2	2	2	2
Average Yearly Base Wage	$23,714	$122,800	$124,950	$127,400	$131,200
Average Yearly Overtime	$0	$0	$0	$0	$0
Average Yearly Incentive	$2,010	$18,000	$21,850	$21,850	$22,500
Average Yearly Benefits	$3,039	$12,800	$11,920	$11,920	$12,515

2

Board Staff Interrogatory #13

Ref: E4 /T2 / S7

Please provide the base salary percentage increases budgeted for 2008 and 2009 broken down by major employee grouping (e.g., executive, management, unionized workers).

Response

The base salary percentage increase budgeted for each of 2008 and 2009 is as follows:

Executive	3%
Management	3%
Unionized Workers	3%

Board Staff Interrogatory # 14

Ref: E4 / T2/ S2 / p19

Evidence indicates the following Regulatory Expenses:

2006 actual:	$ 93,704
2007 actual:	$ 64,660
2008 forecast	$ 59,900
2009 forecast:	$140,000

Westario has also indicated that it expects the 2009 EDR regulatory costs to total $240,000 and one third of this is provided for in the 2009 forecast.

Please provide the rationale for amortizing the $240,000 over three years.

Response

The applicant has requested the regulatory costs to be amortized over three years in order that all costs related to the 2009 Cost of Service application are recovered prior to the next Cost of Service application which is anticipated to be filed by Westario Power Inc. in 2012.

Board Staff Interrogatory #15

Ref: E2

Please provide information for the period 2006 to 2009 in the following table format.

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	12.00%	7.44%	8.41%	8.57%
Retained Earnings	4,457,938	5,093,816	4,570,642	6,095,943
Dividends paid to shareholders	319,017	461,053	539,671	167,483
Sustaining capital expenditures (excluding smart meters)	2,155,680	1,884,326	1,876,700	2,037,900
Development capital expenditures (excluding smart meters)	1,669,503	1,060,580	757,500	771,800
Operations capital expenditures	256,417	2,522,981	291,060	254,700
Smart Meters capital expenditures				
Other capital expenditures (please specify)				
Total capital expenditures (including smart meter meters)	4,081,600	5,467,887	2,925,260	3,064,400
Total capital expenditures (excluding smart meters)	4,081,600	5,467,887	2,925,260	3,064,400
Depreciation expense	1,317,175	1,433,640	1,720,456	1,829,713
Construction Work in Progress	658,598	61,178	0	0
Rate Base	27,061,081	29,506,403	32,298,421	33,630,199
Number of Customer Additions (total)	269	352	249	250
- Residential	257	324	241	244
- General Service < 50 kW	12	26	6	5
- General Service > 50 kW, Intermediate and Large Use	1	2	2	1
Number of Customers (total, December 31)	20,974	21,326	21,575	21,825
- Residential	18,280	18,604	18,845	19,089
- General Service < 50 kW	2,348	2,374	2,380	2.385
- General Service > 50 kW, Intermediate and Large Use	249	251	253	254

Board Staff Interrogatory #16

Ref: E1 / T3 / S2 – Audited Financial Statements for 2007 and E 1 / T4 / S1 – Westario Power Holdings Inc. Annual Report and Audited Financial Statements (Consolidated)

Board staff has prepared the following table comparing the net book value of assets, by asset class and in total, for Westario Power Holdings Inc. on a consolidated basis, as shown in Note 3 of Westario Power Holdings Inc.'s 2007 Consolidated Audited Financial Statements and of Westario Power Inc., as shown in Note 3 of Westario's 2007 Audited Financial Statements.

Net Book Value

	2006			2007		
	Consolidated Westario Power Holdings	Westario Power	Δ	Consolidated Westario Power Holdings	Westario Power	Δ
Land	$ 242,769	$ 242,769	$ -	$ 227,769	$ 227,769	$ -
Buildings	$ 4,494	$ 4,494	$ -	$ 2,350,197	$ 2,350,197	$ -
Distribution Stations	$ 2,214,408	$ 2,214,408	$ -	$ 2,150,467	$ 2,150,467	$ -
Distribution Lines, Overhead	$ 7,551,555	$ 8,962,865	-$1,411,310	$ 7,684,075	$ 9,028,497	-$1,344,422
Distribution Lines, Underground	$ 4,186,871	$ 4,923,688	-$ 736,817	$ 4,762,317	$ 5,469,825	-$ 707,508
Distribution Equipment and Transformers	$ -	$ -	$ -	$ -	$ -	$ -
Distribution Transformers	$ 3,645,593	$ 4,178,798	-$ 533,205	$ 3,976,005	$ 4,485,636	-$ 509,631
Meters	$ 1,662,848	$ 1,709,164	-$ 46,316	$ 1,746,710	$ 1,790,162	-$ 43,452
Computer Software	$ 58,421	$ 58,421	$ -	$ 4,918	$ 4,918	$ -
Communications Equipment	$ 31,629	$ -	$ 31,629	$ 25,455	$ -	$ 25,455
Computer equipment	$ 52,358	$ -	$ 52,358	$ 80,355	$ -	$ 80,355
Office Furniture	$ 79,437	$ -	$ 79,437	$ 111,969	$ -	$ 111,969
Tools and Garage equipment	$ 106,922	$ -	$ 106,922	$ 132,530	$ -	$ 132,530
Trucks	$ 540,927	$ -	$ 540,927	$ 707,512	$ -	$ 707,512
Assets under Construction	$ 658,598	$ 658,598	$ -	$ 61,179	$ 61,179	$ -
Total	$ 21,036,830	$22,953,205	-$ 1,916,375	$ 24,021,458	$25,568,650	$1,547,192

Board Staff Interrogatory #16

Question

Please provide an explanation of non-zero differences between the net book value of Westario Power Holdings and Westario Power, in total and for each asset class. In particular, please explain how Westario Power Inc. has a greater net book value of assets than did Westario Power Holdings Inc. on a consolidated basis, in total and for the asset classes of Distribution Lines – Overhead, Distribution Lines – Underground, Distribution Transformers, and Meters.

Response

For the following asset classes, the dollar value in Westario Power Holdings Inc. consolidated financial statements exceeds that of Westario Power Inc. because for the years ended December 31, 2006 and December 31, 2007 the assets were owned by affiliate Westario Power Services Inc.

- Communications Equipment
- Computer Equipment
- Office Furniture
- Tools and Garage Equipment
- Trucks

For the following asset classes, the dollar value in Westario Power Inc. financial statements exceeds that of Westario Power Holdings Inc. consolidated financial statements for the years ended December 31, 2006 and December 31, 2007 because under GAAP ('Generally Accepted Accounting Principals') inter-company transactions are eliminated upon consolidation of affiliated corporations. The following differences are a result of the accumulated inter-company 'mark up' charged by Westario Power Services Inc. to Westario Power Inc. under the Master Services Agreements on each of the asset classes less the corresponding accumulated depreciation.

Board Staff Interrogatory #16

Asset Class	2006 Difference	2007 Difference
Distribution Lines, Overhead	($1,411,310)	($1,344,422)
Distribution Lines, Underground	($736,817)	($707,508)
Distribution Transformers	($533,205)	($509,631)
Meters	($46,316)	($43,452)
Total	($2,727,648)	($2,605,013)

Board Staff Interrogatory #17

Ref: E1 / T4 / S1

On page 2 of Westario Power Holdings Inc.'s 2007 Annual Report, provided in the above reference, it is stated that Westario occupied its new office and operations centre officially on November 27, 2007. Westario states in its application that the new Walkerton location consolidates its staff previously located throughout the communities served by Westario.

Question

a. Please explain whether Westario still owns and maintains other properties and buildings in the communities it serves.

Response

The new office and operations centre was occupied in late June 2007. The date referenced above (November 27, 2007) was the 'official grand opening' of the new facility. WPI does not own other properties or buildings for the purposes of administration or operation. When the new office and operations centre was built, the leases in the former administrative and operational centres ended. WPI does own other property in the communities it serves, but only for the purposes of distribution stations and related equipment.

Question

b. Please identify if any Westario staff operate from centres other than the new Walkerton office and operation centre. If so, please identify the number of employees and the locations of the ancillary operations centres.

Response

There are no other centres or properties from which any staff of WPI operates.

Board Staff Interrogatory #17

Question

c. Did Westario dispose of any land and buildings made redundant through the opening of the new Walkerton office and operations centre? If so, please provide a table identifying each property involved, its previous function(s), the date of disposal and the net proceeds of the sale.

Response

WPI did not dispose of any land or buildings due to the opening of the new office and operations centre as the properties previously occupied were leased. WPI ended lease agreements for the administrative and operational centres in July 2007. There were no proceeds of sale.

Question

d. Please identify how Westario has treated the net proceeds of such sales and disposals. Did the proceeds accrue to the shareholders' benefit or were they used to offset the cost of the Walkerton office or were they credited back to ratepayers, or some combination thereof?

Response

Not applicable as there were no proceeds of sale.

Board Staff Interrogatory #18

Ref: E2 / T2 / S2 / Attachment, E1 / T4 / S1 and E3 / T3 / S1 / Attachment 1 and E3 / T3 / S2

In E2 / T2 / S2 / Attachment – Gross Capital Assets, Westario shows the following:

Gross Fixed Assets		2006 Board-approved	2006 Actual	2007 Actual	2008 Bridge	2009 Test
1805	Land	$ 107,769	$ 242,769	$ 227,769	$ 227,769	$ 227,769
1808	Buildings and Fixtures	$ 6,517	$ 6,517	$ 2,450,304	$ 2,450,304	$ 2,466,304
1820	Distribution Station Equipment - Normally Primary below 50 kV	$ 3,073,798	$ 3,073,798	$ 3,157,391	$ 3,588,176	$ 3,829,176
1830	Poles, Towers and Fixtures	$ 3,892,678	$ 4,811,058	$ 5,005,316	$ 5,230,361	$ 5,848,861
1835	Overhead Conductors and Devices	$ 5,137,278	$ 6,734,937	$ 7,357,202	$ 7,932,317	$ 8,775,517
1840	Underground Conduit	$ 1,315,937	$ 2,094,546	$ 2,484,344	$ 2,809,409	$ 2,809,409
1845	Underground Conductors and Devices	$ 3,444,539	$ 5,563,155	$ 6,258,562	$ 6,633,637	$ 7,139,137
1850	Line Transformers	$ 3,824,513	$ 5,896,988	$ 6,521,923	$ 6,721,963	$ 7,257,963
1855	Services	$ 2,069,198	$ 2,727,052	$ 3,004,698	$ 3,229,743	$ 3,265,243
1860	Meters	$ 1,866,214	$ 2,302,027	$ 2,438,244	$ 2,716,274	$ 2,746,274
1915	Office Equipment and Furniture				$ 245,418	$ 247,418
1920	Computer Equipment - Hardware				$ 396,174	$ 407,974
1925	Computer Software	$ 255,224	$ 267,519	$ 267,519	$ 714,890	$ 750,290
1930	Transportation Equipment				$ 1,634,555	$ 1,654,555
1935	Stores Equipment				$ 19,842	$ 92,342
1940	Tools, Shop and Garage Equipment				$ 229,420	$ 274,420
1945	Measurement and Testing Equipment				$ 51,482	$ 51,482
1950	Power Operated Equipment				$ 30,011	$ 72,011
1955	Communication Equipment				$ 99,188	$ 99,188
1960	Miscellaneous Equipment				$ 27,970	$ 27,970
1975	Load Management Controls - Utility Premis	$ 258,630	$ 258,631	$ 258,631	$ 258,631	$ 258,631
1995	Contributions and Grants - Credit	-$ 1,774,197	-$ 4,437,179	-$ 5,114,728	-$ 5,610,728	-$ 6,094,728
Total		$ 23,478,098	$ 29,541,818	$ 34,317,175	$ 39,636,806	$ 42,207,206

On page 2 of the 2007 Annual Report it is stated that the new Walkerton building officially opened on November 27, 2007.

In E 3 / T3 / S3, Westario shows the following revenues for Account 4210 – Rent from Electric Property:

	2006 Board-approved	2006 Actual	2007 Actual	2008 Bridge	2009 Test
4210 – Rent from Electric Property	$312,300	$310,078	$482,151	$129,630	$129,630

Board Staff Interrogatory #18

In E3 / T3 / S2, the increase in 2007 is stated as an "[i]ncrease of approximately $172,000 due to WPI renting utility owned property (namely the operational facility) to an affiliate (Westario Power Services Inc.)." The variance between 2008 and 2007 is described on page 5 of this exhibit as "Includes pole attachments and rental of utility owned property to an affiliate. On January 1, 2008 WPI amalgamated with its two affiliates; Westario Power Services Inc., and Westario Power Holdings Inc. Because of the company's amalgamation, there are no longer revenues received for the rental of utility owned property (namely the operational facility and CIS system). The amount of $129,630 is reflective of pole attachments only."

While Westario states that account 4210 includes rent from electric property in 2006 and 2007, the gross capital assets show Westario Power having little in the way of land, buildings and other general equipment until the new Walkerton building came into service late in 2007.

Please provide further explanation of the 2006 and 2007 revenues, including a breakout between pole attachment revenues and rental of Westario Power-owned land and buildings and equipment. Please explain what land, buildings and equipment were being rented to the affiliate.

Response

Please see table below that provides a breakdown of revenue in Account 4210 – Rent from Electric Property:

Revenue Source	2006 Board Approved	2006 Actual	2007 Actual	2008 Bridge	2009 Test
Pole Attachments	132,300	130,078	130,041	129,630	129,630
Rental of CIS System	180,000	180,000	180,000	0	0
Rental of Operational Facility	0	0	172,110	0	0
Total	**$312,300**	**$310,078**	**$482,151**	**$129,630**	**$129,630**

Board Staff Interrogatory #18

WPI owned the CIS System (SAP) and rented it to Westario Power Services Inc. Although not included in its' asset base, the costs related to the CIS system were included in Account 1570 - Qualifying Transition Costs.

WPI rented to affiliate Westario Power Services Inc. the land and building of the Walkerton operational facility from July 2007 to December 2007.

Board Staff Interrogatory #19

Ref: E2 / T2 / S2 / Attachment 1

Page 3 of 4 of the referenced exhibit shows the continuity of gross capital assets from 2007 actual to 2008 projected (bridge year). Under "Retirements/Other", Westario shows additions of $2,890,372.

Question

a. Please confirm if these adjustments shown correspond with capital assets previously owned by Westario Power Holdings Inc. or Westario Power Services Inc. but transferred on January 1, 2008 due to the corporate reorganization.

Response

Westario Power Holdings Inc. did not own any capital assets as of December 31, 2007 therefore there were no assets transferred as of January 1, 2008.

Westario Power Services Inc. owned the following gross capital assets as at December 31, 2007 and these were subsequently transferred to Westario Power Inc. as of January 1, 2008 due to the corporate restructuring:

Gross Capital Asset Account	Westario Power Services Inc.	Per E2/T2/S2/Att 1	Difference
1915 – Office Furniture and Equipment	227,058	227,058	0
1920 – Computer Equipment – Hardware	357,474	357,474	0
1925 – Computer Software	409,571	409,571	0
1930 – Transportation Equipment	1,563,355	1,483,355	(80,000)
1935 – Stores Equipment	19,842	19,942	0
1940 – Tools, Shop and Garage Equipment	184,420	184,420	0
1945 – Measurement and Testing Equipment	51,482	51,482	0
1950 – Power Operated Equipment	30,011	30,011	0
1955 – Communication Equipment	99,188	99,188	0
1960 – Miscellaneous Equipment	27,970	27,970	0
Total	**2,970,372**	**2,890,372**	**(80,000)**

Board Staff Interrogatory #19

Reconciliation of Difference:
In 2008, WPI retired four vehicles at a gross amount of $80,000.

Question

b. Please confirm if, prior to January 1, 2008, recovery of capital-related costs for assets owned by Westario Power Holdings Inc. or Westario Power Services Inc. were recovered in costs charged to Westario Power Inc. pursuant to the Service Agreements, which costs in turn would be recovered from Westario's customers. If not, please explain.

Response

As identified in response 19 a. above, Westario Power Holding Inc. did not own any capital assets as of December 31, 2007.

Prior to January 1, 2008 there was no recovery of capital related costs owned by Westario Power Services Inc. ('WPSI') charged to Westario Power Inc. ('WPI'). As per the Master Service Agreement between WPSI and WPI filed as evidence as Attachment of Exhibit 4, Tab 2, Schedule 4 the amounts owed by WPI to WPSI are the aggregate of all of the operations, management and administration costs set out in the 1999 rate applications of the predecessor municipal electric utilities of WPI plus the actual depreciation amount of assets in WPSI for the applicable fiscal year. There is no recovery of capital related costs because there is no provision for recovery of such under the Master Service Agreement.

Question

c. Please explain if costs incurred pursuant to the Service Agreements were expensed or capitalized.

Board Staff Interrogatory #19

Response

Costs incurred by WPI under the Master Service Agreement with Westario Power Holdings Inc. were expensed.

Costs incurred by WPI under the Master Service Agreement with WPSI for OM&A costs were expensed as calculated above.

Question

d. As of January 1, 2008, assets transferred pursuant to the reorganization are recognized in rate base and the return on these assets and depreciation expense and PILs expense are calculated directly; they no longer need to be recovered as expenses, paid for services rendered under the Service Agreement.
    i. Please confirm whether operating expenses in 2008 and 2009 reflect the removal of capital-related costs previously recovered in prices paid under the Service Agreement.
    ii. If yes, please describe the adjustment.
    iii. If not, please explain Westario's reasons for not adjusting operating expenses.

Response

As per the response provided in 19 b.; prior to the corporate reorganization, there were no capital related expenses charged by WPSI to WPI under the Master Service Agreements, therefore there are no adjustments required to the 2008 or 2009 operating expenses. The fixed costs charged by WPSI to WPI were not used as a basis for establishing the 2008 Bridge Year of 2009 Test Year OM&A costs.

Board Staff Interrogatory #20

Ref: E2 /T3 / S1 / Attachment: WPI-020-08 Asset Management Policies and Procedures

Westario has provided a copy of its Asset Management Policy document at the above reference. The policy is dated July 11, 2008.

Question

a. Please identify if Westario had an Asset Management Policy prior to the development of this document.

Response

Westario did not have an Asset Management Policy prior to the development of this document. The document was developed after management attended a seminar of Asset Management provided by the EDA.

Question

b. If so, please file it.

Response

Not applicable.

Question

a. Please identify the capital and operating projects proposed for 2009 that have been developed based on Westario's Asset Management policies as contained within the July 11, 2008 document.

Response

There are two maintenance projects (Tree Trimming and Substation Maintenance) planned, both are necessary to ensure the safety and reliability of Westario's distribution system and

Board Staff Interrogatory #20

accordingly neither have been scored using Westario's Asset Management policies. Please see the table below that identifies capital projects and their respective scores.

Town	Project Title	Score	Proceeding Project?	Causes dependency	Dependant Project1	Dependant Project 2
WI	WI MS1 Recloser Replacement	81	None	No		
PE	Pad mount transformer ground grids	70	None	No		
HR	Harriston Substation Contingency	88	None	No		
SO	Saugeen St Phase 2 - UG Conversion	76	Saugeen Street Phase 1	Yes	Clarendon St	Water St
SO	Clarendon, Victoria to Albert	90	Saugeen St Phase 2 - UG Conversion	No		
SO	Water St south of Saugeen Street	82	Saugeen St Phase 2 - UG Conversion	No		
LU	Gough St, Havelock to Stauffler	85	None	No		
VR	Capital Pole Replacements - various	83	None	No		
HR	Arthur St, btwn Elora St and Lawrence St	82	None	No		
KI	Princes St, btwn Durham Market & Durham St	80	None	No		
PE	Market St, Geddes St to Highland St	80	None	No		
HA	Rear lot 11th St, btwn 15th and 19th Ave	77	None	No		
TE	Hillcrest St, Clinton St to Andrew St	77	None	No		
WI	Edward St, btwn Alfred and Patrick	76	None	No		
KI	Kincardine Ave btwn Queen and Pentangore Row	75	None	No		
KI	Pentangore Row S-Bruce	74	None	No		
SO	Albert St Market	73	None	No		
WA	Mary Street btwn Elgin and Joseph	72	None	No		
HA	Alley south of 10th St, east of 7th Ave	69	None	No		

Question

b. Please provide copies of Business Procedure SR-021-08 *Substation Maintenance Program* and Business Procedure SR-002-07 *Distribution System Inspection under Ontario Regulation 22/04* referenced on page 3 of the Asset Management Policy.

Response

Please see Westario's Substation Inspection Standards and Distribution System Inspection Standards policies, attached.

1. Background:

Section 4 of *Ontario Regulation 22/04* (Electrical Distribution Safety) requires that Westario Power has processes in place to ensure that:

- All distribution systems and electrical installations, and;
- All electrical equipment forming part of such systems are designed, constructed, installed, protected, used, maintained, repaired, extended, connected and disconnected so as to reduce the probability of exposure to electrical safety hazards.

For overhead and underground systems, including secondary distribution lines, and other electrical installations operating at 750 volts or below that are not a direct part of a distribution system, Westario Power must ensure that:

- Equipment is maintained in proper operating condition;
- There is sufficient space to allow proper operation/maintenance;
- Energized conductors and live parts are adequately barriered;
- Grounding, where required, is effective;
- Structures are sufficiently strong to withstand loads imposed by equipment/weather loadings.

2. Purpose:

The intent of this document is to establish guidelines and processes when maintaining electrical equipment and lines for the overhead and underground electrical distribution systems, including substations and other electrical installations operating at 750 volts or below that are not direct parts of a distribution system, as outlined in Section 4 of *Regulation 22/04*.

3. Definitions:

Urban means areas with higher density and, by definition pose safety and reliability consequences to greater numbers of people. For the purpose of this work procedure, Westario Power has been designated an **URBAN** utility by the Ontario Energy Board.

Civil Infrastructure refers to structures such as duct and vault systems, ducts suspended from or attached to structures, flush-to-grade hand holes, poles and towers supporting distribution plant, and buildings that house substation equipment. It is intended that civil infrastructure will be inspected as part of the patrol of the distribution system or in the course of doing routine utility work. There may be instances where it will be extremely difficult to perform a visual inspection (e.g. where access is restricted due to energized equipment in an enclosure), and therefore the civil infrastructure associated with this would be inspected in the course of doing normal utility work, which would require the utility to de-energize the equipment.

Patrol means visual inspection of distribution system components to identify problems and hazards such as leaning poles, damaged equipment enclosures, and vandalism. This will include

an inspection of related peripheral equipment, hardware, connections, all supports and attachments. This would also include an assessment of vegetation encroachment on right-of-ways.

Municipal Substation (MS), also known as Distribution Substation (DS), is a transformation facility with the primary operating at a sub-transmission voltage and the secondary operating at a distribution voltage. The upstream transformation facility is a Transformer Station. A Municipal Substation supplies main feeders for wide area distribution.

Customer-Specific Substation: A transformation facility supplying a specific industrial, institutional, or commercial customer. The primary operates at a distribution or sub-transmission voltage. These substations are not owned, maintained, or inspected by Westario Power.

Outdoor Open Substations typically refers to a substation surrounded by a locked security fence. Within the substation fence bare energized components operating at distribution voltage levels or higher are readily accessible.

Outdoor Enclosed Substations are similar to "Outdoor Open" (above) however all bare live components are enclosed in locked metal enclosures.

Indoor Substations typically refers to a substation located within a secure building. Access by the public to bare energized components within the station is prevented by the building enclosure.

Conductors and Cables – Underground: It is not possible to inspect underground cable directly; however, the system can be checked for exposed cable and or grade changes that may indicate that the cable has been brought too close to the surface. Patrol inspection of cable chambers is not required since a visual inspection will not reveal faults because the failure mechanism for underground cable (e.g. voids, water trees) is not visually detectable.

Vegetation refers to encroachment of vegetation upon distribution lines on any right-of-way; either public road allowance or private property. It is intended that vegetation will be inspected as part of the regular patrol of distribution equipment.

4. Scope:

In order to meet the requirements of Section 4 of Ontario Regulation 22/04, Westario Power has adopted an inspection program so as to identify system deficiencies, deteriorating or defective equipment, abnormal conditions, and safety hazards. The inspection program will ensure all parts of the distribution system will be inspected to identify deficiencies before these deficiencies lead to system failures that may:

a) Impair the safety of Westario Power employees or the public,
b) Impair system reliability and reduce the quality of service to our customers,
c) Seriously reduce the life expectancy of equipment and increase cost,
d) Adversely affect the environment.

This procedure includes an inspection program that will be part of the inspection for the overhead, underground situated in Westario Power's service areas.

This procedure shall be read in conjunction with the relevant regulations under the Occupational Health & Safety Act, and the E&USA Rulebook, and all related Westario Power work procedures.

5. Priority Guide:

The inspectors should use their knowledge and experience of system operations when deciding if a specific field condition should be reported for further repair, refurbishment or replacement. High priority problems must be attended to immediately. Judgment should be exercised as to whether to repair medium and low priority problems while on site.

High Priority items are those that are likely to cause an outage, equipment damage, or pose a significant safety risks to workers or the public and significantly increase operational hazards.

Medium Priority items are those that, if left unsolved or unattended, could lead to a future problem (for example incorrect records, missing or incorrect nomenclature, rust, etc)

Low Priority items are those not likely to cause a power outage, or pose a safety risk. (For example: aesthetic issues, base levelling issues, etc.)

6. Guidelines for Conducting an Inspection:

a) Westario Power shall ensure that only persons qualified under the Occupation of Health and Safety Act are involved in inspection activities.
b) The inspection shall be a performed by a qualified person who has sufficient knowledge to identify defects and assess the severity of the defect that may require immediate attention, from those that can be repaired at a later date.
c) The inspector shall be properly trained to protect both himself, his coworker(s), and the public. Some inspections can expose the inspector to energized lines or high voltage circuits and equipment.
d) In cases where the inspector notices that a problem exists, or identifies a condition that warrants a more thorough or rigorous inspection, the inspector shall escalate the concern to the Supervisor.

6.1 Overhead, Underground, and Substation Inspections:

6.1.1 Patrol or visual inspections may consist of walking and driving by equipment to identify obvious structural problems and hazards such as leaning power poles, damaged equipment enclosures, and vandalism.

6.1.2 For underground systems, riser poles should be checked as above, with a visual check of cable guards, terminators, and arrestors. It is not possible to inspect

underground cable directly; however, the system can be checked for exposed cable.

6.1.3 The specifics of these inspections shall be recorded (Appendix E). Records of the inspection shall be held on-file for five years. The file shall contain the records of inspection activities carried-out during the year, identified issues, the associated work to remedy the issue, and all notes and comments on inspection issues not followed-up.

6.1.4 A contract inspection service may use its own internally developed forms. Before these are accepted by Westario Power for use in our inspection practice, these shall be reviewed by Westario Power for suitability and adherence to this standard. A contractor granted leave to use its own form shall follow all record-keeping practices of this standard.

6.1.5 Appendix B provides a list of requirements to be expected for a *typical* distribution line patrol inspection in terms of the types of defects that may be visually detected.

6.1.6 As shown in Appendix A, inspection cycles are categorized by the following major distribution facilities:

- Distribution Transformers,
- Conductors and cables,
- Vegetation,
- Poles and guying,
- Civil infrastructure.

For each of these facilities, Westario Power shall further distinguish between overhead facilities, underground facilities and the facilities' locations.

6.1.7 Westario Power may determine that more frequent inspections may be required due to local or relative importance to overall system reliability of a particular piece of equipment, or portion of the distribution system.

6.1.8 It is intended that Westario Power will perform the inspection of approximately one-third of the system in each year. Westario Power has been designated by the Ontario Energy Board as an **urban utility**.

6.1.9 In all cases, Westario Power is responsible to ensure that appropriate follow-up and corrective action is taken regarding problems identified during an inspection.

6.1.10 Before any switching is performed, a complete visual check of the physical appearance of the overhead or underground equipment shall be completed for possible mechanical or electrical hazards. The equipment may have to be isolated and de-energized following safe work procedures prior to an attempt at an inspection of the apparatus. Once isolation is established, proper de-energization work practices must be followed.

6.1.11 The maintenance activities shall only be carried out by qualified personnel.

6.1.12 When maintenance services are contracted, a review of the Maintenance Contractor's health and safety procedures and reputation shall be considered with the same attention to detail as the determination of quality of work and delivery capabilities.

6.1.13 Contractors must be made aware of Westario Power's Health and Safety Procedures to effectively control the risk of accidents and incidents.

6.1.14 The Manager of System Reliability shall designate a Contract Administrator to be accountable in meeting the safety responsibilities with respect to selecting Maintenance Contractors, and managing and reviewing contract work to perform these tasks.

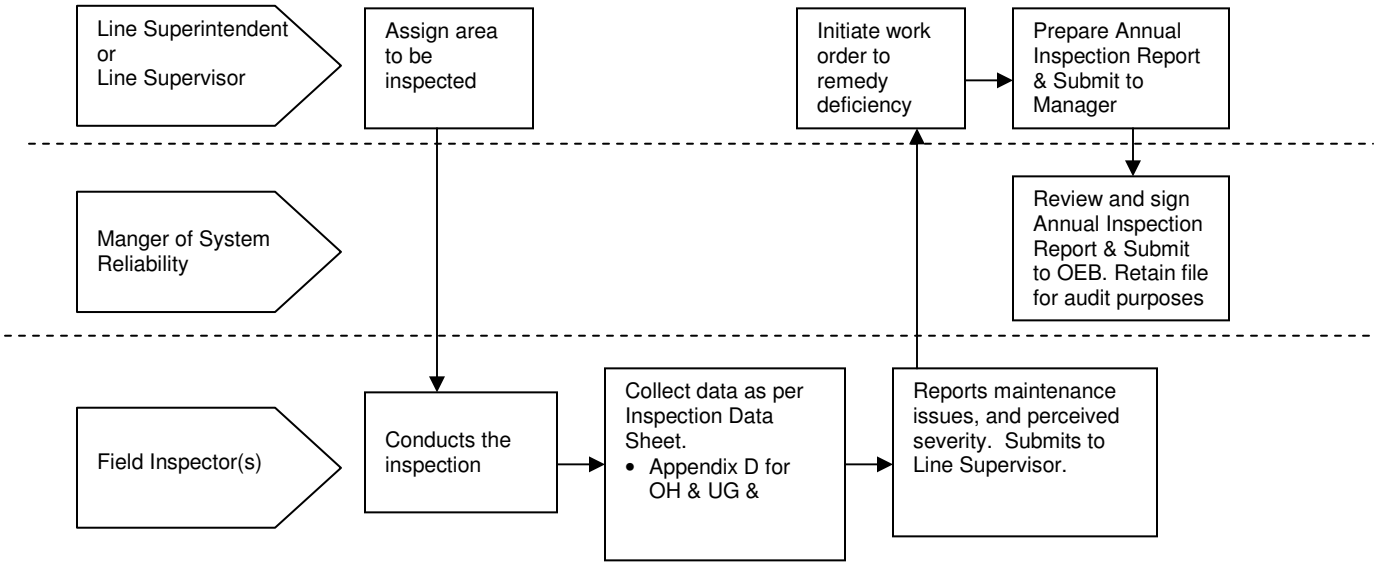
6.1.15 In the event of non-compliance with the required safety standards or policies, safety issues will be dealt with the contractor's supervisor or representative. It will be the responsibility of the Maintenance Contractor to address the issues with his/her employees prior to resuming work for Westario Power. If the matter continues to be unresolved, Westario Power will provide its concern in writing to the Maintenance Contractor.

6.1.16 Maintenance Contractors and their employees working on site shall wear appropriate personal protective equipment as set out by Westario Power while within the plant or areas where such protection is required.

7. Records:

All records of inspection and maintenance shall be retained with the project files and survive as long as the substation does. These should be readily available to both the ESA and OEB upon request for a period of at least one year after the annual audit, following inspection and maintenance completion.

Distribution System Inspection Process:



Appendix A

System Inspection Cycle

Distribution Facility	Inspection
All Distribution Transformers	3 Years

Lines and Equipment	Inspection
Switching and Protective Devices	3 Years
Conductors and Cables -- Overhead	3 Years
Conductors and Cables -- Underground	3 Years
Vegetation	3 Years
Poles	3 Years
Civil Infrastructure	3 Years

Appendix B

Typical Defects That Can be Detected During an Inspection

Distribution Facilities	Types of Defect
Transformers and switching kiosks	• Paint condition and corrosion, • placement on pad or vault, • check for lock and penta bolt in place, • grading changes, • Access changes (shrubs, tree, etc.) • phase indicators and unit match operating map, • leaking oil, flashed or cracked insulators
Switching/Protective Devices: • Overhead • Underground • Pad mounted	• Bent, broken bushings and cut-outs, • Damaged lightning arresters, • Damaged enclosures, • Current and potential transformers. • Security and structural condition of enclosure
Conductors and Cables	• Low conductor clearance • Broken/frayed conductors or tie wires • Tree conditions, • exposed broken ground conductors, • broken strands, bird caging, • excessive or inadequate sag, • Insulation fraying on secondary especially open-wire.
Poles and Structures	• Bent, cracked or broken poles, • excessive surface wear or scaling, • loose, split or broken cross arms and brackets, • Woodpecker or insect damage, bird nest, • loose or unattached guy wires or stubs, • guy strain insulators pulled apart or broken, • guy guards out of position or missing, • indications of burning or scorching
Hardware and attachments	• Loose or missing hardware, • Insulators detached from pins, • Conductors unattached form insulators, • Tie wires unravelled, • ground wire broken or removed
Equipment Installation (includes transformers)	• Contamination/discoloration of bushings, evidence of bushing flashover, • oil leaks, • rust, • Ground lead attachments, ground wires on arrestors unattached, • bird or animal nests, • Vines or bush growth interference. • Accessibility compromised.
Vegetation and Right of Way	• Leaning or broken “danger” trees, • Growth into line of “climbing” trees, • unapproved/unsafe occupation

Appendix C
ANNUAL INSPECTION SUMMARY REPORT

Reviewed: _____ Date: _____
System Reliability Manager

Part 1 Lines	Percentage of Distribution System Scheduled for Patrol (%)	Percentage of Distribution System Actually Patrolled (%)	Reason Patrol was not Completed	Date Patrol will be Completed
Overhead Plant				
Transformers				
Switching & Protective Devices				
Conductors				
Vegetation				
Poles				
Underground Plant				
Transformers				
Switching & Protective Devices				
Cables				
Vegetation				
Civil Infrastructure				

Appendix D
Major Deficiency Record

Town _____ Date: _____
Circuit _____ Patrolled By _____
Grid _____ Page: _____ of _____

Location	Equipment No.	Equipment Type	Describe Problem	Severity			Repair Work Order	Date repair completed
				High	Med	Low		
				☐	☐	☐		
				☐	☐	☐		
				☐	☐	☐		
				☐	☐	☐		
				☐	☐	☐		
				☐	☐	☐		
				☐	☐	☐		
				☐	☐	☐		
				☐	☐	☐		
				☐	☐	☐		
				☐	☐	☐		

Appendix E
Field Inspection Sheets

HV OVERHEAD PRIMARY & FRAMING

Pole No **Location** **COMMENTS**

CIRCUIT 1 **Wire Size and Type** Specify ACSR/Al/Str Cu/Sol Cu

Feeder No: **Insulation** ☐ Bare ☐ Poly ☐ Aerial Spacer Specify Voltage Rating

Voltage: **No of Phases** R W B ☐ Other Specify 'odd' phasing

Framing: ☐ X-Arm ☐ Armless Is this circuit underbuild? ☐ YES ☐ NO Primary cable dip? ☐ YES ☐ NO

Devices: ☐ LB Switch ☐ Solid blades ☐ LC/Jumpers ☐ MSO/opener ☐ Line Fuses See switch device or primary cable dip data sheet

☐ Surge Arresters for Line Protection ☐ Qty per phase specify R W B

CIRCUIT 2 **Wire Size and Type** Specify ACSR/Al/Str Cu/Sol Cu

Feeder No: **Insulation** ☐ Bare ☐ Poly ☐ Aerial Spacer Specify Voltage Rating

Voltage: **No of Phases** R W B ☐ Other Specify 'odd' phasing

Framing: ☐ X-Arm ☐ Armless Is this circuit underbuild? ☐ YES ☐ NO Primary cable dip? ☐ YES ☐ NO

Devices: ☐ LB Switch ☐ Solid blades ☐ LC/Jumpers ☐ MSO/opener ☐ Line Fuses See primary cable dip data sheet

☐ Surge Arresters for Line Protection ☐ Qty per phase specify R W B

CIRCUIT 3 **Wire Size and Type** Specify ACSR/Al/Str Cu/Sol Cu

Feeder No: **Insulation** ☐ Bare ☐ Poly ☐ Aerial Spacer Specify Voltage Rating

Voltage: **No of Phases** R W B ☐ Other Specify 'odd' phasing

Framing: ☐ X-Arm ☐ Armless Is this circuit underbuild? ☐ YES ☐ NO Primary cable dip? ☐ YES ☐ NO

Devices: ☐ LB Switch ☐ Solid blades ☐ LC/Jumpers ☐ MSO/opener ☐ Line Fuses See primary cable dip data sheet

☐ Surge Arresters for Line Protection ☐ Qty per phase specify R W B

LV OVERHEAD SECONDARY BUS — COMMENTS

CIRCUIT 1 **Bus Wire** ☐ Open ☐ Lashed ☐ Duplex ☐ Triplex ☐ Quad

Fed From: **Insulation** ☐ Bare ☐ Poly ☐ Rubber ☐ Insulated/Unknown type

Voltage: ☐ 120V ☐ 120/240V ☐ 120/208V ☐ 240V Δ ☐ 347/600V ☐ 600V Δ ☐ Other

LV OVERHEAD SECONDARY BUS — COMMENTS

CIRCUIT 2 **Bus Wire** ☐ Open ☐ Lashed ☐ Duplex ☐ Triplex ☐ Quad

Fed From: **Insulation** ☐ Bare ☐ Poly ☐ Rubber ☐ Insulated/Unknown type

Voltage: ☐ 120V ☐ 120/240V ☐ 120/208V ☐ 240V Δ ☐ 347/600V ☐ 600V Δ ☐ Other

LV OVERHEAD SECONDARY BUS — COMMENTS

CIRCUIT 3 **Bus Wire** ☐ Open ☐ Lashed ☐ Duplex ☐ Triplex ☐ Quad

Fed From: **Insulation** ☐ Bare ☐ Poly ☐ Rubber ☐ Insulated/Unknown type

Voltage: ☐ 120V ☐ 120/240V ☐ 120/208V ☐ 240V Δ ☐ 347/600V ☐ 600V Δ ☐ Other

JOINT USE AND THIRD-PARTY ATTACHMENTS — COMMENTS

Joint Use Attachments ☐ HONI ☐ Telephone ☐ Cable TV ☐ Other Specify

Municipal Attachments ☐ Signs ☐ Banners ☐ Baskets ☐ Wreaths ☐ Traffic Signals ☐ Street Lights

POLES AND STRUCTURES — COMMENTS

TYPE ☐ Wood ☐Cement ☐ Steel ☐PoleTran ☐ Other Specify

Ownership ☐WPI ☐HONI ☐Bell ☐Other Brand Visible? ☐ YES ☐ NO

Height Class Year

Guys And Anchors — COMMENTS

No of Strands **Attachments** ☐Primary ☐ Secondary ☐Third Party

Are third party guys attached to WPI Anchors? ☐ YES ☐ NO **Guy Guards** ☐ YES ☐ NO

No of Anchors **Anchor offsets** **Guy Insulators** ☐ YES ☐ NO

Span Guys ☐ YES ☐ NO **To Pole** **Storm Guys** ☐ YES ☐ NO **Qty**

Anchors ☐ PISA ☐ Rock ☐ Expansion ☐ Unknown **Storm Guy Insulators** ☐ YES ☐ NO

Checked By **Date**

PRIMARY SWITCHING DEVICES	Pole No	Location						COMMENTS
Underground Devices								
Device Type	☐ K-Bar 2-Way	☐ K-Bar 3-Way	☐ K-Bar 4-Way	☐ Vault	☐ Splice Box			
No of Circuits	☐ One	☐ Two	☐ Three	☐ Four				
Foundation Type	☐ Concrete	☐ Fiberglass/Plastic	☐ Other	Specify				
Circuit 1 Source	☐ R	☐ Elbow	☐ Term	☐Elbow Drain	☐Cable Grd	☐ Closed	☐Open/Parked	☐Open/Park/Grded
Feeder	☐ W	☐ Elbow	☐ Term	☐Elbow Drain	☐Cable Grd	☐ Closed	☐Open/Parked	☐Open/Park/Grded
Voltage	☐ B	☐ Elbow	☐ Term	☐Elbow Drain	☐Cable Grd	☐ Closed	☐Open/Parked	☐Open/Park/Grded
Circuit 2	☐ R	☐ Elbow	☐ Term	☐Elbow Drain	☐Cable Grd	☐ Closed	☐Open/Parked	☐Open/Park/Grded
Feeder	☐ W	☐ Elbow	☐ Term	☐Elbow Drain	☐Cable Grd	☐ Closed	☐Open/Parked	☐Open/Park/Grded
Voltage	☐ B	☐ Elbow	☐ Term	☐Elbow Drain	☐Cable Grd	☐ Closed	☐Open/Parked	☐Open/Park/Grded
Circuit 3	☐ R	☐ Elbow	☐ Term	☐Elbow Drain	☐Cable Grd	☐ Closed	☐Open/Parked	☐Open/Park/Grded
Feeder	☐ W	☐ Elbow	☐ Term	☐Elbow Drain	☐Cable Grd	☐ Closed	☐Open/Parked	☐Open/Park/Grded
Voltage	☐ B	☐ Elbow	☐ Term	☐Elbow Drain	☐Cable Grd	☐ Closed	☐Open/Parked	☐Open/Park/Grded
Circuit 4 Alt Feed	☐ R	☐ Elbow	☐ Term	☐Elbow Drain	☐Cable Grd	☐ Closed	☐Open/Parked	☐Open/Park/Grded
Feeder	☐ W	☐ Elbow	☐ Term	☐Elbow Drain	☐Cable Grd	☐ Closed	☐Open/Parked	☐Open/Park/Grded
Voltage	☐ B	☐ Elbow	☐ Term	☐Elbow Drain	☐Cable Grd	☐ Closed	☐Open/Parked	☐Open/Park/Grded
Surge Arresters	☐ Elbow Arresters	☐ Overhead Arresters	R W B					

Overhead Devices								
Type of Switch	**Switch Number**	**Feeder**	**Voltage**	**Ampacity**	**Phase**	**R W B**	**Gang-Op**	**Singles**
☐ LB Switch					1 or 3	R W B	☐	
☐ Solid blades					1 or 3	R W B		☐
☐ LC/Jumpers					1 or 3	R W B		☐
☐ MSO/opener					1 or 3	R W B		☐
☐ Line Fuses					1 or 3	R W B		☐

Checked By	Date

TRANSFORMERS	☐ Pole-mount ➔	Pole Number	←☐ PoleTran	☐ Pad-mount
Location/Address				
Old Transformer Number			**New Transformer Number**	
KVA	**Phase** 1 or 3	**Impedance** %	**Year Manufactured**	
Serial Number			**Manufacturer**	
Nameplate HV			**Nameplate LV**	

Taps	☐ +5%	☐ +2.5%	☐ 0%	☐ -2.5%	☐ -5%	☐ None	☐ Other Specify
Connection	☐ Wye-Wye		☐ Wye-Delta		☐ Delta-Wye		☐ Delta-Delta
Internal CL Fuse	☐ Yes	☐ No	**Catalogue Number**				
External CL Fuse	☐ Yes	☐ No	**Catalogue Number**				
Internal LB switch	☐ Yes	☐ No	**Describe**				
Pad Transformers:	**Locks** ☐ Yes	☐ No	**Condition**				
	Hood ☐ Yes	☐ No	**Condition**				
Doors and Latches	☐ Yes	☐ No	**Condition**				Describe

Feeder	**Connected Voltage**		**Connected Phase** R W B			
LV Connection	☐ OH Bus	☐ UG	☐ One Customer			
Transformer Mounting	☐ Pole, direct	☐ Pole, X-Arm	☐ Platform	☐ Above Sec	☐ Below Sec	☐ Other
Cutout Mounting	☐ C/A bracket	☐ X-Arm bracket	☐ Other			Specify
Cutout Type	☐ Unkn	**Cutout Rating**	V	A	☐ Unkn	
Surge Arrester	☐ Yes	☐ No	**Arrester Rating**	V	☐ Unkn	
Grounding	☐ Case Ground	☐ H2	☐ Neutral Spade/Strap	☐ None	☐ Other	Specify
Ground Wire	☐ Bonded to System Neutral		☐ Bonded to Ground Rod	☐ None	☐ Other	Specify
Safety Decals	☐ Yes	☐ No	**"No Shrubs" Decal**	☐ Yes	☐ Added	☐ No
PCB Decals	☐ "Tested"	☐ "Non-PCB"	☐ "Contains PCB"	PPM	☐ None	

General Conditions And Comments

Sketch of Secondary District

Indicate North. Show street names. Show Municipal Numbers.

Address	**Meter No**	**Address**	**Meter No**

If more space needed, use other side of sheet.

Checked By

Date

Appendix F

INSPECTOR'S DAILY LOG BOOK

FOR CONTRACTED MAINTENANCE WORK ONLY	
Site Name:	Date of this report:
Contractor Name:	
Contractor Address:	Tel:
Contractor Site Representative:	
Contractor Role: ____Contractor ___Subcontractor ___Sub-Subcontractor	
Scope of work:	

ON-SITE QUALITY AND SAFETY EVALUATION

(A- Excellent; E-Unsatisfactory)

Factor	A	B	C	D	E
❑ Quality of work					
❑ Quality/Productivity of Manpower					
❑ Ability to provide adequate manpower					
❑ Quality of on-site supervision					
❑ Cooperation in handling extra work					
❑ Condition and quality of equipment					
❑ Commitment to schedule					
❑ Adequacy of safety equipment					
❑ Compliance with safety requirements and regulations					
❑ Attitude toward safety					
❑ Cooperation in correcting safety problems					

Were there any labour incidents? _____Yes ____No (If yes, please explain below)
Explanation:_____
_____
_____

Do you recommend Contractor for future work? ____Yes ___No
Comments:_____
_____
_____
_____
_____
_____
_____
_____

_____ _____
Inspector Date

_____ _____
Contract Administrator Date

Substaion Inspections		
	Document No.:	SR-021-08
	Page:	1 of 14
	Issued:	July 11, 2008
	Issue No.:	1.0
	Effective:	July 11, 2008

1. Background:

Appendix C of the Ontario *Distribution System Code* requires that Westario Power has processes in place to ensure that substations and associated electrical and civil infrastructure are protected, used, maintained, and repaired so as to reduce the probability of exposure to electrical safety hazards; and maintain the life of the asset.

For substations, Westario Power must ensure that:

- All equipment is maintained in proper operating condition;
- There is sufficient space to allow proper operation and maintenance;
- Energized conductors and live parts are adequately barriered;
- Protective equipment is in working order;
- Grounding is effective;
- Structures are sufficiently strong to withstand loads imposed by equipment/weather loadings.
- Sites are secure and inaccessible to unauthorized persons.

2. Purpose:

The intent of this document is to establish guidelines and processes when maintaining distribution substations as outlined in Appendix C of the Ontario *Distribution System Code*.

3. Definitions:

Urban means areas with higher density and, by definition pose safety and reliability consequences to greater numbers of people. For the purpose of this work procedure, Westario Power has been designated an **URBAN** utility by the Ontario Energy Board.

Civil Infrastructure refers to structures such as duct and vault systems, ducts suspended from or attached to structures, flush-to-grade hand holes, poles and towers supporting distribution plant, and buildings that house substation equipment. It is intended that civil infrastructure will be inspected as part of the patrol of the distribution system or in the course of doing routine utility work. There may be instances where it will be extremely difficult to perform a visual inspection (e.g. where access is restricted due to energized equipment in an enclosure), and therefore the civil infrastructure associated with this would be inspected in the course of doing normal utility work, which would require the utility to de-energize the equipment.

Municipal Substation (MS), also known as Distribution Substation (DS), is a transformation facility with the primary operating at a sub-transmission voltage and the secondary operating at a distribution voltage. The upstream transformation facility is a Transformer Station. A Municipal Substation supplies main feeders for wide area distribution.

Customer-Owned Substation: A transformation facility supplying a specific industrial, institutional, or commercial customer. The primary operates at a distribution or sub-transmission voltage. These substations are not owned, maintained, or inspected by Westario Power.

Outdoor Open Substations typically refers to a substation surrounded by a locked security fence. Within the substation fence bare energized components operating at distribution voltage levels or higher are readily accessible.

Outdoor Enclosed Substations are similar to "Outdoor Open" (above) however all bare live components are enclosed in locked metal enclosures.

Indoor Substations typically refers to a substation located within a secure building. Access by the public to bare energized components within the station is prevented by the building enclosure.

Conductors and Cables – Underground: It is not possible to inspect underground cable directly; however, the system can be checked for exposed cable and or grade changes that may indicate that the cable has been brought too close to the surface. Patrol inspection of cable chambers is not required since a visual inspection will not reveal faults because the failure mechanism for underground cable (e.g. voids, water trees) is not visually detectable.

Vegetation refers to encroachment of vegetation upon a substation yard, fencing, or any structure with the substation perimeter. It is intended that vegetation will be inspected as part of the regular inspection of substations.

4. Scope:

In order to meet the requirements of Appendix C of the Ontario *Distribution System Code*, Westario Power has adopted a cyclic inspection program so as to identify deficiencies, deteriorating or defective equipment, abnormal conditions, and safety hazards. The inspection program will ensure all distribution substations will be inspected to identify deficiencies before these deficiencies lead to system failures that may:

a) Impair the safety of Westario Power employees or the public,
b) Impair system reliability and reduce the quality of service to our customers,
c) Seriously reduce the life expectancy of equipment and increase cost,
d) Adversely affect the environment.

This procedure includes an inspection program that will be part of the regulatory cycle inspection for the distribution substations situated in Westario Power's service areas.

This procedure shall be read in conjunction with the relevant regulations under the Occupational Health & Safety Act, and the E&USA Rulebook, and all related Westario Power work procedures.

5. Priority Guide:

The inspector shall use his/her knowledge and experience of system operations when deciding if a specific condition should be reported for further repair, refurbishment or replacement. High priority problems must be attended to immediately. Judgment shall be exercised as to whether to repair medium and low priority problems while on site.

High Priority items are those that are likely to cause an outage, equipment damage, or pose a significant safety risks to workers or the public and significantly increase operational hazards.

Medium Priority items are those that, if left unsolved or unattended, could lead to a future problem (for example incorrect records, missing or incorrect nomenclature, rust, etc)

Low Priority items are those not likely to cause a power outage, or pose a safety risk. (For example: aesthetic issues, base levelling issues, etc.)

6. Guidelines for Conducting an Inspection:

a) Westario Power shall ensure that only qualified persons are involved in inspection substation activities.
b) The inspection shall be a performed by a qualified person who has sufficient knowledge to identify defects and assess the severity of the defect that may require immediate attention, from those that can be repaired at a later date.
c) The inspector shall be properly trained to protect himself, his co-worker(s), and the public. Some inspections can expose the inspector to energized lines or high voltage circuits and equipment.
d) In cases where the inspector notices that a problem exists, or identifies a condition that warrants a more thorough or rigorous inspection, the inspector shall escalate the concern to the immediate Supervisor.

6.1 Specifically, Substation Inspections:

6.1.1 Patrol or simple visual inspections may consist of walking and driving by equipment to identify obvious structural problems and hazards such as damaged equipment enclosures, and vandalism.

6.1.2 For cable egresses, riser cables should be checked with a visual check of cable guards, terminators, and arrestors. It is not possible to inspect underground cable directly; however, the system can be checked for exposed cable.

6.1.3 Records of the inspection shall be held on file for as long as the substation or equipment remains in service.

6.1.4 A file shall contain the records of inspection activities carried-out during the year, the identified issues, associated work to remedy the issue, and the target date for

completion of inspections which were not completed as planned (See Appendix D).

6.1.5 A contract inspection service may use its own internally developed forms. Before these are accepted by Westario Power for use in our inspection practice, these shall be reviewed by Westario Power for suitability and adherence to this standard. Otherwise, the substation inspection shall be recorded on the form shown in Appendix E.

6.1.6 A list of approved substation maintenance contractors is shown in Appendix F.

6.1.7 Appendix C provides a list of the typical requirements to be expected from a typical substation inspection in terms of the types of defects that may be visually detected.

6.1.8 Once per year each substation shall be subject to an oil test as outlined in Appendix C.

6.1.9 As shown in Appendix B, inspection cycles for substation visual and maintenance.

6.1.10 Westario Power may determine that more frequent inspections may be required due to local or relative importance to overall system reliability.

6.1.11 It is intended that Westario Power will perform the inspection of substations once per quarter, and maintenance of each substation one every four years.

6.1.12 Westario Power is responsible to ensure that appropriate follow-up and corrective action is taken regarding problems identified during an inspection.

6.1.13 Before any switching is performed, a complete visual check of the physical appearance of the substation shall be completed for possible mechanical or electrical hazards. The equipment may have to be isolated and de-energized following safe work procedures prior to an attempt at an inspection of the apparatus. Once isolation is established, proper de-energization work practices must be followed.

6.1.14 Once every four years, substation maintenance work may involve cleaning and maintenance of the equipment such as load interrupters, gaskets and bushings, lightning arresters, relays, reclosers, circuit breakers, checking for oil leaks or staining, and checking oil levels. See Appendix C.

6.1.15 The maintenance activities shall only be carried out by qualified personnel and/or qualified contractors. See Appendix A for the annual planning cycle.

6.1.16 When maintenance services are contracted, a review of the Maintenance Contractor's health and safety procedures and reputation shall be considered with the same attention to detail as the determination of quality of work and delivery capabilities.

6.1.17 Contractors must be made aware of Westario Power's Health and Safety Procedures to effectively control the risk of accidents and incidents.

6.1.18 The Manager of System Reliability shall designate a Contract Administrator to be accountable in meeting the safety responsibilities with respect to selecting Maintenance Contractors, and managing and reviewing contract work to perform these tasks.

6.1.19 In the event of non-compliance with the required safety standards or policies, safety issues will be dealt with the contractor's supervisor or representative. It will be the responsibility of the Maintenance Contractor to address the issues with his/her employees prior to resuming work for Westario Power. If the matter continues to be unresolved, Westario Power will provide its concern in writing to the Maintenance Contractor.

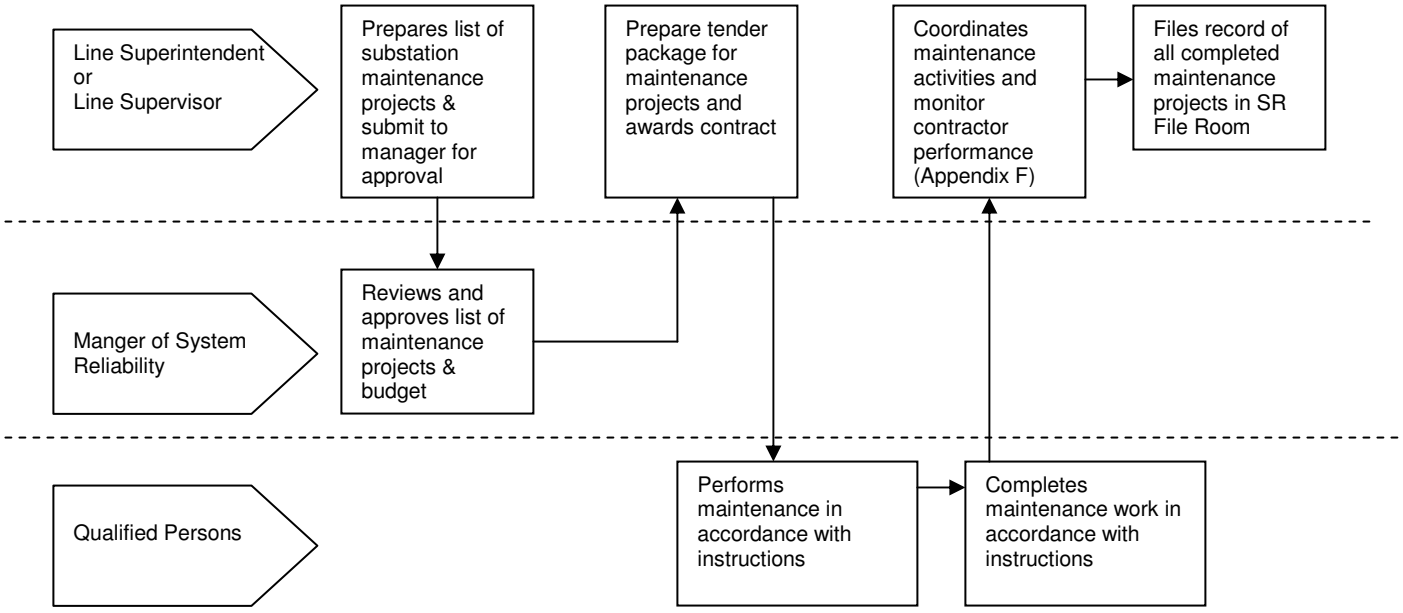
6.1.20 Maintenance Contractors and their employees working on site shall wear appropriate personal protective equipment as set out by Westario Power while within the plant or areas where such protection is required.

7. Records:

All records of inspection and maintenance shall be retained with the project files and survive as long as the substation or the equipment does. These should be readily available to both the ESA, and any safety auditor following inspection and completion of the maintenance.

Appendix A

Substation Inspection and Maintenance Process:



Appendix B
Inspection Cycle

Visual Inspection

	Outdoor Open	Outdoor enclosed	Indoor enclosed
Municipal Substations	Every 3 months	Every 3 months	Every 3 months
Customer Substation	This is the customer's responsibility under the Ontario Electrical Safety Code		

Planned Substation "Tear-Down" Maintenance

LOCATION	MS#	2004	2005	2006	2007	2008	2009	2010	2011	2012
HANOVER	MS1	X		X	Regasket				x	
	MS2		X			X				x
	MS3	X			x			x		
	MS4	X		X			x			
	MS5	X		X	Regasket				x	
WALKERTON	MS1	X			x				x	
	MS2	X			x				x	
	MS3	X			x-Paint				x	
SOUTHAMPTON	MS1	X	X			X				x
	MS2		X			X				x
	MS3		X			X				x
PORT ELGIN	MS1		X							
	MS2	X		X	Paint					x
	MS3		X			X				
	MS4	X		X			x			
	MS5	X		X			x			
	MS6		X			X				X
KINCARDINE	MS1	X			x-Paint					
	MS2		X				x	x		
	MS3		X				x			
	MS4		X				x			
LUCKNOW	MS1	X			x				x	

Planned Substation "Tear-Down" Maintenance (continued)

LOCATION	MS#	2004	2005	2006	2007	2008	2009	2010	2011	2012
HARRISTON	MS1	X		X				x		
WINGHAM	MS1		X				x			
	MS2	X			x-Paint			x		
TEESWATER	MS1	2003 INSTALL				X				x
PALMERSTON	MS1		X	X				x		

Appendix C

Quarterly Substation Inspections

Scope of Inspection:

Visual:

- Tower and components - lightning arresters / signs / bonding / insulators
- Transformer - oil level / pressure / conditions / silica gel condition / fan operation
- Distribution components – reclosers (if applicable) / cabinets / breaker condition / operation counts / indicators
- Dip poles – cables / lightning arresters
- Fence condition / vegetation / bonding
- building condition if applicable
- Evidence of vandalism / bottles / cans / raccoons, etc

Record:

- Above visual inspection data
- Oil temperature - peak and instantaneous - reset peak
- Tank pressure
- meter readings

Perform:

- minor repairs – sign replacement / bonding
- Notify customer immediately of safety concerns or major repairs required

Report:

- All above recorded readings / values
- trend the meter readings as requested by the utility
- Any abnormalities- recommended action taken to correct conditions
- The above information will continue to be kept in a database at Tiltran Services. A report, complete with a covering letter indicating any concerns and recommended actions, will be sent to the utility shortly after our inspections.

Yearly Oil Samples Analysis consists of:

- ASTM test - dielectric strength, interfacial tension
- DGA - dissolved gas-in-oil analysis
- Water content - ppm H_2O

Scope of Substation Maintenance Performed every 4 years

1. Inspect, clean and service the incoming High Voltage switch (tower or pole). Clean contact surfaces, coat with a non-oxidizing agent and lubricate all pivot points. Adjust switch operation as required. This work is performed by Westario personnel under the direction of Tiltran personnel.

2. Inspect the Primary supply, including all Lightning Arresters mounted on the pole or tower with the HV equipment.

3. Inspect, clean and service the primary fuses. Clean fuse contacts and coat with a non-oxidizing agent. Perform contact resistance test on switch connections and fuse contacts. Verify link size.

4. Westario personnel inspect and clean all tower mounted insulators and Tiltran cleans all bushings.

5. Inspect the station grounding. Perform a three-point ground resistance test. Inspect enclosures to ensure they meet ESA requirements. This includes switchgear enclosures, station fences, signage and bonding.

6. Fully test and inspect the transformer. Note that the transformer is fully isolated for the electrical tests to be done. Tests to include:
    a. Dielectric absorption (10 min. insulation resistance test on each of the following- High to low and ground, low to high and ground and high and low to ground).
    b. Capacitance and dissipation factor.
    c. Turn to turn ratio test.
    d. Winding Resistance Test.

7. Inspect and test insulation resistance on interconnection from the transformer to indoor switchgear.

8. Inspect, clean and service the secondary distribution equipment and cells. Tests to include pole contact resistance and insulation resistance tests. We also verify trip relay settings on breakers equipped with electronic relays, using secondary current injection testing methods.

9. Test distribution circuit cables (1 minute insulation resistance test),verify correct phasing colour identification and perform insulation resistance tests on lightning arresters (if applicable)

10. Inspect, clean and service the secondary fused switches fuses. Clean fuse contacts and coat with a non-oxidizing agent. Perform contact resistance test on switch connections and fuse contacts. Verify link size. Clean and lubricate switches.

11. Inspect, clean and perform contact resistance and insulation resistance tests on reclosers.

Appendix D

ANNUAL INSPECTION SUMMARY REPORT

Reviewed: _____ Date: _____

System Reliability Manager

Substation	No. of Substation inspections Scheduled	No. of Scheduled inspection not completed	Reason inspection not completed	No. of Substation inspected during period	Date Substation inspection will be resumed
SO MS1	4				
SO MS2	4				
SO MS3	4				
PE MS1	4				
PE MS2	4				
PE MS3	4				
PE MS4	4				
PE MS5	4				
KI MS1	4				
KI MS2	4				
KI MS3	4				
KI MS4	4				
LU MS1	4				
WI MS1	4				
WI MS2	4				
TE MS1	4				
PA MS1	4				
HR MS1	4				
WA MS1	4				
WA MS2	4				
WA MS3	4				
HA MS1	4				
HA MS2	4				
HA MS3	4				
HA MS4	4				
HA MS5	4				

Appendix E

Substation Visual Data Sheet

This form to be used if the case where Westario Power will perform the inspection

Location		**Substation**
Transformer	**Findings**	**Remarks**
Oil Temperature (Inst/Peak) in Centigrade		
Oil level in main tank		
Oil Leaks		
H.V. Bushing Condition		
Transformer paint condition		
Sample valve plug		
Sample valve locked		
Main Valve locked		
Tap changer locked		
Tap position		
Explosion Vent intact		
Grounding		
Nomenclature in place		
Phase markers in place		
Substation – within station compound	**Findings**	**Remarks**
Yard Debris/Vegetation		
Crushed Stone Depth (10 cm)		
Ground Grid Condition		
Substation Primary/Secondary Structure		
Structure Condition		
Insulator Condition		
Grounding		
Lightning Arrester Condition		
Switch Condition		
Fuse Condition		
Bus/cables intact		
Switch locked		
Animal guard in place		
Nomenclature in place		
Phase markers in place		
Station Fence	**Findings**	**Remarks**
Fence Condition		
Fence Grounding		
Barb wire condition		
“Danger” sign, Locks in place		
Gates		

Inspected by:_____ Date:_____

Appendix F
Approved Substation Maintenance Contractors

Tiltran Services
RR3 - 14719 Bayham Drive
Tillsonburg, ON N4G 4G8
Contact: Paul Krupicz,
Tel: 519-842-6458

Board Staff Interrogatory #21

Ref: E1 /T1 / S3 / p3

On page 3, Westario discusses the state of the infrastructure inherited from the predecessor municipal electrical utilities. The municipalities were the predecessor MEUs which were utility operations of municipalities which largely remain the shareholders of Westario. Westario states that its original restructuring occurred on November 1, 2000.

Westario states that, even in the absence of the Asset Management Plan now being undertaken, there are serious maintenance and investment issues that it must address, including:

- Tree trimming
- Substation maintenance
- Pole replacements
- #6 Copper wire

Westario also states that it experiences low growth in the 15 communities served, with an average growth rate of 1% per annum.

Question

a. Please explain what efforts, if any, Westario has taken prior to 2008 to address and manage its distribution network, particularly with the above issues.

Response

All projects undertaken have been on a priority-need basis. The Asset Management document provides a guideline to weight/score projects that in the past were analyzed and selected qualitatively.

Board Staff Interrogatory #21

Question

b. Given that Westario was formed from amalgamation of predecessor utilities in 2000 to 2001, please explain why these issues remain a priority in 2008 and 2009.

Response

In some cases, the predecessor distribution systems were not well maintained. Unusual or non-standard equipment was utilized. The large geography of the new LDC and many conflicting priorities meant that early planning was limit to addressing the immediate and pressing needs. The distribution system is composed of many small distribution systems each having their own characteristics. Building to uniform standards and using standardized components has reduced inventory. The size and complexity of the distribution system does not lend itself to a "quick fix". These issues will remain a priority far beyond 2009.

Question

c. With respect to #6 copper wire and given Westario's relatively low growth rate, please explain Westario's statements that "[t]hese areas are now experiencing load growth and feeder extensions off the #6 primary wire. The wire has grown brittle and is undersized for the average load". Why has this issue not arisen previously? If it has arisen, what has Westario done to address this issue as part of its operations and capital programs?

Response

The issues concerning #6 copper wire was recognized in the past and managed on an as needed basis. Circuit mapping and network records of the predecessor utilities were not compete and did not indicate wire type. A survey in early 2008 highlighted the extent of #6 Copper usage. The quantity of #6 Copper wire in service was far greater that perceived.

Board Staff Interrogatory #22

Ref: E1 /T2 / S1

In this exhibit, Westario discusses the nature and condition of the distribution infrastructure in each of the fifteen communities that it serves, and also discusses recent or planned projects to address any necessary rehabilitation of the distribution infrastructure in each community. The discussion identifies differences in network infrastructure and technologies.

Question

a. Please describe Westario's intentions and efforts to date, or that Westario contemplates through its Asset Management Plan, to adopt a more common approach for network planning and technologies employed to be able to realize economies of scale, procurement and resource specialization.

Response

As a result of a single uniform inventory, the utility has one warehouse holding its distribution equipment. This has eliminated the need to carry multiple spares of the same functional equipment type. Further, because of standardization of the distribution equipment, consistent and uniform equipment is utilized in multiple municipalities thus reducing or, in some cases, eliminating the need to carry specialized gear. This permits the utility to purchase equipment in reduced quantity that would not have occurred in the case of multiple warehouse sites.

Question

b. If Westario does not consider that employment of more common designs and technologies throughout Westario's service area is practical, please explain.

Board Staff Interrogatory #22

Response

Westario Power utilizes industry-standard equipment and designs, and installs equipment using the USF assembly drawings. Westario Power, using good design practice, will examine those instances where legacy equipment is non-standard, and may replace the equipment with standardized equipment where practicable. However, where this cannot be feasibly undertaken, specialized gear could continue to be utilized.

Board Staff Interrogatory #23

Ref: E2 / T1 / S2, S3 / Attachment 1

Please provide the derivation of the Power Supply Expenses used in the calculation of the working capital base for each of the 2008 bridge and 2009 test years. Please identify explicitly the commodity price estimate, and the Wholesale Market Service Charge and Retail Transmission charges used in the calculation.

Response

The Power Supply Expenses were calculated based on the weather normalized consumption as per the Load Forecast Report presented as evidence in the Attachment of Exhibit 3, Tab 2, Schedule 1. The weather normalized consumption was then adjusted for the Total Loss Factor of 1.0788 as presented as evidence in Exhibit 4, Tab 2, Schedule 8.

The commodity price estimate of $0.05450 per kWh was determined using the 'Regulated Price Plan Price Report – May 1, 2008 to April 30, 2009' issued by the Ontario Energy Board on April 11, 2008.

The Wholesale Market Service Charge and Retail Transmission charges were estimated using Westario Power Inc.'s current approved rates effective May 1, 2008 as issued under EB-2007-0681. Further information regarding WPI's estimation of Retail Transmission charges is discussed in response 43.

Detailed calculation of the Power Supply Expenses as provided in Exhibit 2, Tab 1, Schedule 2, Attachment 1, and can be found at Tab 'C.2 PassThruRates' of the Excel 'Ratemaker' model submitted as evidence with the application.

Board Staff Interrogatory #24

Ref: E6 / T1 / S3 / p4

Westario has included a 4% short-term debt component at a rate of 4.47% in calculating the weighted average cost of capital ("WACC").

Question

a. Please confirm that the short-term debt rate is to be updated at the time of the Board's decision using data "available three full months in advance of the effective date of the rates [i.e. January 2009 data for May 1, 2009 rates]" as documented in section 2.2.2 of the *Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors* (the "Board Report"), issued December 20, 2006.

Response

WPI concurs that the short term debt rate will be updated at the time of the Board's decision as described above.

Question

b. If Westario is not proposing that the short-term debt rate be updated in accordance with section 2.2.2 of the Board Report, please provide the derivation of the proposed rate of 4.47% and Westario's reasons for deviating from the Board Report.

Response

Not applicable.

Board Staff Interrogatory #25

Ref: E6 / T1 / S2 / Attachment and S3

Westario documents its long-term debt in the above reference and provides a table of its long-term debt instruments, by year, in the Attachment to the Exhibit. Westario is proposing a long-term debt rate of 5.82% for setting 2009 distribution rates, factoring additional debt in 2009 of about $2 million at 5.23%. Westario states that it "reserves the right to update this rate prior to the Board issuing its rate order should it have a material affect [sic] on this application." (Exhibit 6 / Tab 1 / Schedule 3 / page 4 / ll. 12-13).

Question

a. In Exhibit 6 / Tab 1 / Schedule 3 / Attachment, for the 2006 Actual year, please explain why there is no rate and interest charges showing for the loan owed to the CIBC with a loan principal of $1,104,707.41.

Response

Westario has updated Exhibit 6, Tab 1, Schedule 2, Attachment to include the interest rate and interest charges on the above noted loan. Please also refer to Response 25 d.

Question

b. In Exhibit 6 / Tab 1 / Schedule 3 / Attachment, for the 2009 Test year, please provide further details on "Other Long-Term Debt" shown with a principal of $1,008,219 at a rate of 5.23%. Is this debt related to the reference to $2 million of debt referenced in Exhibit 6 / Tab 1 / Schedule 3 / page 4 / ll. 8-13? If so, please explain the difference in principal amounts.

Board Staff Interrogatory #25

Response

The principal amount of $1,008,219 is the calculated 'average' balance for the year. It is anticipated that an additional $2 million of debt will be required in 2009; however, it is anticipated that the debt will not be required until mid year. Using a July 1st inception date, the average principal amount was calculated as 184 days/ 365 days x $2 million = $1,008,219.

Question

c. Note 7 of the 2007 Audited Financial Statements for each of Westario Power Inc. and Westario Power Holdings (provided, respectively, in Exhibit 1 / Tab 3 / Schedule 2 and Exhibit 1 / Tab 4 / Schedule 1) show two non-revolving term instalment loans. One has a principal of $5,534,694 as of December 31, 2007 with a fixed rate of 5.33% plus a stamping fee of 0.80% (i.e. a total interest rate of 6.13%), while the second has a principal of $2,473,244 as of December 31, 2007 with a rate of 5.38% plus a stamping fee of 0.80% (i.e. a total interest rate of 6.18%). For the 2008 bridge year, the table in Exhibit 6 / Tab 1/ Schedule 2 / Attachment shows a rate of 6.18% for the loan with a principal of $5,408,058.75 and 6.13% for the loan with a principal of $2,439,699.50. Please reconcile which debt rate applies to each loan.

Response

Exhibit 6/Tab 1/Schedule 2 should reflect a rate of 6.13% for the loan with a principal amount of $5,408.058.75 and 6.18% for the loan with a principal amount of $2,439,699.50. There is no change to the corresponding interest calculation.

Question

d. Please provide a copy of the table of long-term debt shown in Exhibit 6 / Tab 1 / Schedule 2 / Attachment in working Excel format. Please update this table, if necessary, to reflect Westario's responses above.

Board Staff Interrogatory #25

Response

The table requested is attached and has been updated to reflect the adjustment as noted above in Interrogatory 25(c).

Board Staff Interrogatory #25

1

	2006 Board Approved			2006 Actual			2007 Actual		
Long Term Debt									
	Average Principal	Carrying Costs	Calculated Cost Rate	Average Principal	Carrying Costs	Calculated Cost Rate	Average Principal	Carrying Costs	Calculated Cost Rate
Shareholders	8,616,765.00	5.11%	440,316.69	6,218,923.00	5.47%	332,847.16	5,422,174.88	5.47%	295,408.91
Town of Minto	10,400.00	5.11%	531.44						
CIBC	183,292.00	5.11%	9,366.22						
CIBC	1,236,560.00	5.11%	63,188.22						
CIBC	717,619.00	5.11%	36,670.33						
CIBC	223,376.00	5.11%	11,415.51						
CIBC	1,155,225.00	5.11%	59,032.00						
CIBC				1,104,707.41	9.92%	109,555.84			
CIBC				834,622.89	10.12%	84,468.84			
CIBC				524,767.28	7.87%	41,292.66			
CIBC				2,872,164.24	0.00%	0.00	5,639,510.98	6.03%	339,828.24
CIBC				275,000.00	0.18%	497.26	1,511,622.00	5.87%	88,788.14
CIBC									
CIBC									
Other Long Term Debt									
	$ 12,143,237.00		$ 620,520.41	$ 11,830,184.82		$ 568,661.76	$ 12,573,307.86		$ 724,025.29
			5.11%			4.81%			5.76%

2

3

Board Staff Interrogatory #25

1

Long Term Debt				2008 Bridge			2009 Test
Shareholders	Average Principal	Carrying Costs	Calculated Cost Rate	Average Principal	Carrying Costs	Calculated Cost Rate	
Town of Minto							
CIBC	5,260,461.00	5.47%	287,747.22	5,260,461.00	5.47%	287,747.00	
CIBC							
CIBC							
CIBC							
CIBC							
CIBC							
CIBC							
CIBC							
CIBC							
CIBC							
CIBC							
CIBC							
Other Long Term Debt	2,439,699.50	6.18%	150,471.00	2,370,478.00	6.18%	146,445.00	
	5,408,058.75	6.13%	331,130.51	5,146,804.00	6.13%	315,161.00	
				1,008,219.00	5.23%	52,730.00	
	$ 13,108,219.25		$ 769,348.73	$ 13,785,962.00		$ 802,083.00	
			5.87%			5.82%	

2

Board Staff Interrogatory #26

Ref: E1 / T1 / S8

At the above reference, Westario states:

> "WPI has not included any costs related to Smart Metering. In decision EB-2007-0865 dated April 17, 2008, the Board approved $0.26 per month per metered customer. Westario is requesting an increase of this smart meter seed amount from $0.26 to $1.00/month per metered customer, consistent with the Decisions issued for the 2008 Cost of Service Applicants."

On October 22, 2008, the Board issued Guideline G-2008-0002 on *Smart Meter Funding and Cost Recovery*. Section 4 of the Guideline specifies filing requirements for distributors when seeking a smart meter funding adder greater than $0.30 per month per residential customer. Any such distributor must be authorized in accordance with the applicable regulations, and must have a clear intention on installing smart meters in the rate test year.

Question

a. Please identify whether Westario is authorized or is becoming authorized to deploy smart meters pursuant to and compliant with the London Hydro RFP process, in accordance with O. Reg. 427/06 amended June 25, 2008. Provide supporting documentation supporting Westario's authorization.

Response

The Ontario Energy Board released document G-2008-002 "Smart Meter Funding and Cost Recovery" (October 22, 2008). As part of the Guide, the OEB established two distinct types of distributors, "Non-Implementing Distributors", as noted in Section 1.3, and "Distributors Implementing Smart Meters" in Section 1.4.

Board Staff Interrogatory #26

Westario Power Inc. participated in the Ministry sanctioned extension of the London RFP as an Authorized Distributor under O. Reg. 235/08.

Question

b. Please confirm that Westario is planning to commence smart meter deployment, once authorized, no later than December 31, 2009. Provide supporting documentation on Westario's planned smart meter deployment.

Response

Westario Power Inc. is proceeding with deployment of Elster smart meters through purchase arrangements with Elster as per the findings of the Fairness Commissioner. It is Westario Power's intention to complete installation by the end of 2009. Together with a consortium, of distributors as part of the Cornerstone Hydro Electric Concepts (CHEC), Westario Power is in contract negotiations with Elster (the smart meter vendor), an installation contractor, and a network service provider.

Board Staff Interrogatory #26

				May-09					Jun-09
	04 to 08	11 to 15	18 to 22	25 to 29	01 to 05	08 to 12	15 to 19	22 to 26	29 to 03
	5	5	4	5	5	5	5	5	4
Westario Delivery Schedule		480							
Westario Installation Schedule				50	50	50	50	50	50
Westario Inventory Levels				430	380	330	280	230	180
				Jul-09				Aug-09	
	06 to 10	13 to 17	20 to 24	27 to 31	03 to 07	10 to 14	17 to 21	24 to 28	
	5	5	5	5	4	5	5	5	
Westario Delivery Schedule				3648				3648	
Westario Installation Schedule	50	30	30	50	20	750	750	600	
Westario Inventory Levels	130	100	70	3668	3648	2898	2148	5196	
					Sep-09				Oct-09
	31 to 04	07 to 11	14 to 18	21 to 25	28 to 02	05 to 09	12 to 16	19 to 23	26 to 30
	5	4	5	5	5	5	4	5	5
Westario Delivery Schedule				3648				3648	
Westario Installation Schedule	750	1000	1000	1000	1000	1000	800	1000	1000
Westario Inventory Levels	4446	3446	2446	5094	4094	3094	2294	4942	3942
				Nov-09					Dec-09
	02 to 06	09 to 10	16 to 20	23 to 27	30 to 04	07 to 11	14 to 18	21 to 25	28 to 31
	5	5	5	5	5	5	5	4	3
Westario Delivery Schedule			3,151						
Westario Installation Schedule	1000	1000	1000	800	1000	1000	1000	293	
Westario Inventory Levels	2942	1942	4093	3293	2293	1293	293	0	

Question

c. Please provide the following information in accordance with section 4 of the Guideline:

i the estimated number of smart meters to be installed in the test year;

ii the estimated costs per installed meter, and in total;

iii a statement as to whether Westario has purchased or expects to purchase smart meters or advanced metering infrastructure whose functionality exceeds the minimum functionality adopted in O.Reg. 425/06, and an estimate of the costs for "beyond minimum functionality" equipment and capabilities; and

Board Staff Interrogatory #26

iv a statement as to whether Westario has incurred, or expects to incur, costs associated with functions for which the Smart Metering Entity has the exclusive authority to carry out pursuant to O.Reg. 393/07, and an estimate of those costs.

Response

i Approximately 19,125 meters.

Ii Estimated cost per meter: $216.65. Total budget is $4,143,612.54.

Iii Westario Power may add functionality beyond the base meter provided in that, after we complete a cost-benefit study, Westario Power may elect to purchase a limited number of meters with remote disconnection capability. However, the budget figures above do not include any such functionality since a decision has not been made by Westario Power to adopt additional features.

Iv Westario Power has not incurred, nor does it plan to incur, any costs associated with functions for which the Smart Meter Entity has exclusive authority to carry out under O. Reg. 393/07.

Question

d. If Westario is not planning smart meter deployment until 2010, please provide Westario's rationale for proposing an increased smart meter rate adder of $1.00 per month per metered customer.

Response

Westario Power plans to complete its deployment of smart meters by the end of 2009.

Board Staff Interrogatory #26

Question

e. Please explain the impact on Westario's plans for smart meter deployment should the Board determine that Westario's existing smart meter funding adder of $0.26 per month per metered customer continue.

Response

Westario Power has committed with its utility partners in the Cornerstone Hydro Electric Concepts Inc. (CHEC) to proceed to install smart meters in 2009.

Board Staff Interrogatory #27

Ref: E1 / T1 / S5 and E9 / T1 / S1

Table 7 on page 6 of 6 of the second reference above shows the fixed and variable distribution charges proposed by Westario based on the cost allocation and rate design study.

Question

a. Please confirm that the monthly service charges shown in Table 7 do not include the proposed smart meter rate adder of $1.00 per month for metered customer classes.

Response

The monthly service charges shown in Exhibit 9, Tab 1, Schedule 1, Table 7 on page 6 of 6 do not include the proposed smart meter rate adder of $1.00 per month for metered customer classes.

Question

b. Westario has provided its proposed tariff schedule in the first reference above. The monthly service charge for the sentinel lighting class is proposed as $4.92, while Table 7 in the second reference shows a monthly service charge of $3.92 resulting from cost allocation of the revenue requirement. Please confirm if Westario is adding the smart meter rate adder on to the sentinel lighting monthly service charge and, if so, please explain why this is being done, as sentinel lighting is normally an unmetered service.

Response

Westario Power erroneously added a smart meter rate adder to the Sentinel Lighting classification. The application will be updated to correct this oversight.

Board Staff Interrogatory #28

Ref: E4 / T3 / S2

Please provide a summary of taxes/PILs for 2006 Board-approved, 2006 actual, 2007 actual, 2008 bridge and 2009 test years per the following table.

Response

	2006 Board-approved	2006 Actual	2007 Actual	2008 Bridge	2009 Test
Federal Income Tax	262,640	755,828	656,475	440,531	330,006
Ontario Income Tax	166,221	478,372	414,053	316,278	243,162
Large Corporation Tax	0	0	0	0	0
Capital tax	55,907	64,387	61,323	44,453	41,681
Total	484,776	1,298,587	1,131,851	801,262	614,849

Board Staff Interrogatory #29

Ref: E3/ T2 /S4

Questions

a. Please explain if Westario's test year customer count forecast is consistent with one or more external forecasts (such as Housing Outlook reports from CMHC or the chartered banks).

b. Please provide the reports/forecasts used and explain how these forecasts support Westario's projections for customer additions in the test year. If the external reports/forecasts do not support Westario's proposed customer forecast, then please explain the reasons for any variances.

Responses

WPI is unaware of any external forecasts specific to Westario's service area from CMHC, the chartered banks, or any other source. The test year customer count is based on the average annual growth seen in Westario's actual customer count from 2004 to 2007.

Board Staff Interrogatory #30

Ref: E3/ T2 /S1 / Attachment p6

Westario is seeking Board approval for a test year weather normal of 4,116 HDD and 176 CDD, based on a 10-year simple average of weather data reported at Wiarton Airport. At the above reference, Westario 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".

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

a. Assuming Westario is preparing a forecast for test year 2006, please develop a weather normal forecast 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 percentage variance from actual observed weather.
b. Assuming Westario is preparing a forecast for test year 2007, please develop a weather normal forecast using 10-years of historical weather data from 1996-2005 and compare this forecast to actual observed weather in 2007. Please calculate the variance and percentage variance from actual observed weather.
c. Assuming Westario is preparing a forecast for test year 2008, please develop a weather normal forecast using 10-years of historical weather data from 1997-2006 and compare this forecast to actual year-to-date observed weather in 2008. Please calculate the variance and percentage variance from actual observed weather.

Response

Below, please find tables which outline the three different 10 year weather normal scenarios for Wiarton 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

Board Staff Interrogatory #30

below, HDD in 2007 are very close to the 10 year normal defined as 1996-2005 (10 year average of 4,238.7 vs. 2007 annual of 4,157.2, a difference of 1.9%). 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 almost 36% 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).

Response - a

Part A

Degree Days for Wiarton 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	743.1	0.0	599.1	0	-144.0	0.0	-19.4%	N/A
Feb	670.4	0.0	681.2	0	10.9	0.0	1.6%	N/A
Mar	602.6	0.1	583.8	0	-18.8	-0.1	-3.1%	-100.0%
Apr	402.2	0.5	338.5	0	-63.7	-0.5	-15.8%	-100.0%
May	223.9	3.1	175.2	11.9	-48.7	8.8	-21.7%	285.1%
Jun	78.6	28.4	65.3	22.1	-13.3	-6.3	-16.9%	-22.1%
Jul	30.8	51.1	5.6	88.4	-25.2	37.3	-81.8%	72.9%
Aug	32.9	45.2	37.5	42	4.6	-3.2	13.9%	-7.1%
Sep	109.7	18.5	130	4.3	20.3	-14.2	18.5%	-76.7%
Oct	286.7	1.1	323.2	0	36.6	-1.1	12.8%	-100.0%
Nov	451.4	0.0	400.3	0	-51.1	0.0	-11.3%	N/A
Dec	634.8	0.0	523.4	0	-111.4	0.0	-17.5%	N/A
Annual	**4,266.9**	**148.0**	**3,863.1**	**168.7**	**-403.8**	**20.8**	**-9.5%**	**14.0%**

Board Staff Interrogatory #30

Response - b

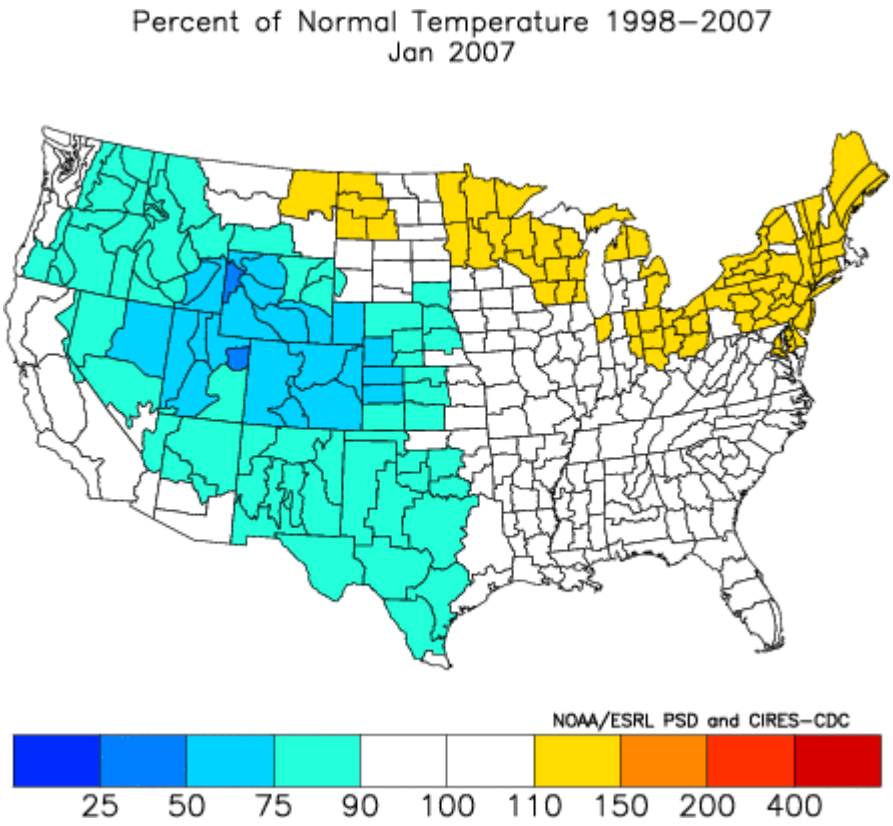
Part B								
Degree Days for Wiarton Airport								
	10-yr Weather Normal 1996-2005		Year 2007 Actual		2007 Variance from 10 yr 1996-2005 (Degree Days)		2007 Variance from 10 yr 1996-2005 (per cent)	
	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD
Jan	757.9	0.0	689.5	0	-68.4	0.0	-9.0%	N/A
Feb	660.0	0.0	751.9	0	91.9	0.0	13.9%	N/A
Mar	613.0	0.1	580.5	0	-32.5	-0.1	-5.3%	-100.0%
Apr	393.0	0.5	406.7	0	13.7	-0.5	3.5%	-100.0%
May	224.4	3.1	201.9	14.9	-22.5	11.8	-10.0%	374.5%
Jun	75.3	31.1	59.9	41.2	-15.4	10.1	-20.4%	32.4%
Jul	29.5	53.2	32.7	36.9	3.2	-16.3	11.0%	-30.6%
Aug	32.2	44.4	27.1	57.7	-5.1	13.3	-15.8%	30.0%
Sep	100.0	20.9	79.9	30.3	-20.1	9.5	-20.1%	45.3%
Oct	286.3	2.2	184.2	11.1	-102.1	8.9	-35.7%	402.3%
Nov	438.3	0.0	483.5	0	45.3	0.0	10.3%	N/A
Dec	629.0	0.0	659.4	0	30.4	0.0	4.8%	N/A
Annual	**4,238.7**	**155.5**	**4,157.2**	**192.1**	**-81.5**	**36.6**	**-1.9%**	**23.6%**

Board Staff Interrogatory #30

Response - c

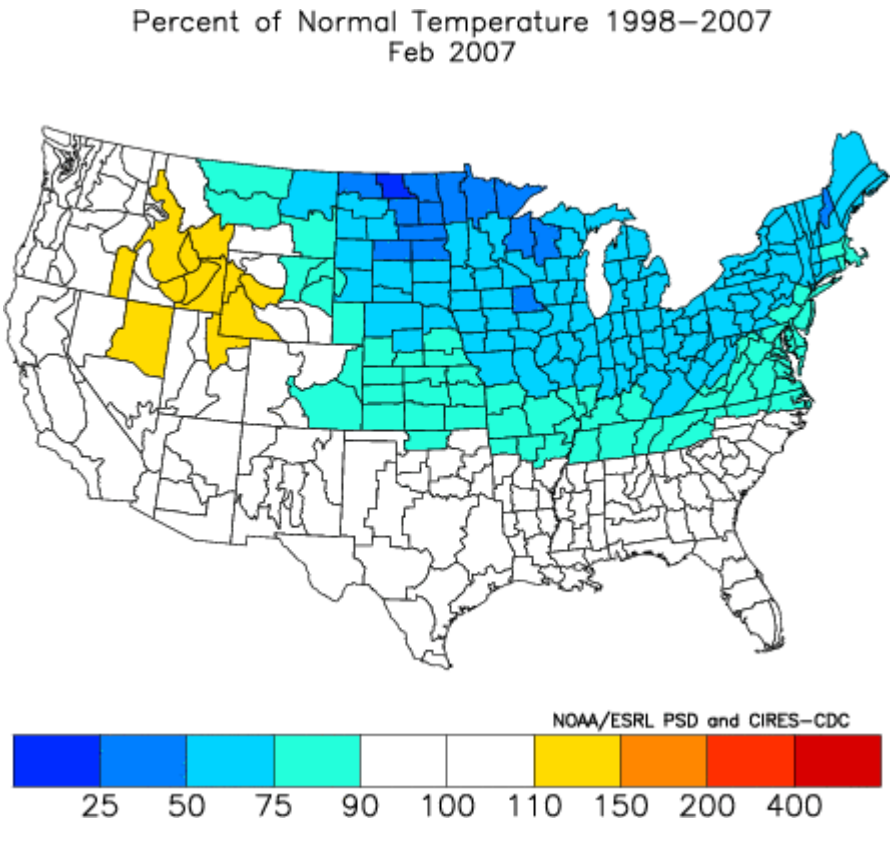
Part C								
Degree Days for Wiarton Airport								
	10-yr Weather Normal 1997-2006		Year 2008 Actual		2008 Variance from 10 yr 1997-2006 (Degree Days)		2008 Variance from 10 yr 1997-2006 (per cent)	
	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD
Jan	738.9	0.0	638.3	0	-100.6	0.0	-13.6%	N/A
Feb	653.0	0.0	711.1	0	58.1	0.0	8.9%	N/A
Mar	601.5	0.1	670.2	0	68.7	-0.1	11.4%	-100.0%
Apr	380.0	0.5	303.9	0	-76.1	-0.5	-20.0%	-100.0%
May	215.3	4.1	275.8	0	60.5	-4.1	28.1%	-100.0%
Jun	73.7	32.6	60.6	33.6	-13.1	1.0	-17.7%	3.0%
Jul	25.7	60.5	16.4	49.7	-9.3	-10.8	-36.2%	-17.9%
Aug	33.3	44.7	39	29	5.8	-15.7	17.3%	-35.1%
Sep	102.3	20.2	112	5.5	9.8	-14.7	9.5%	-72.8%
Oct	288.6	2.2	317.6	0	29.0	-2.2	10.0%	-100.0%
Nov	424.4	0.0	474.8	0	50.4	0.0	11.9%	N/A
Dec	620.7	0.0						
Annual	**4,157.3**	**164.9**						

Board Staff Interrogatory #30



1

Board Staff Interrogatory #30



1
2

Board Staff Interrogatory #30

It should be noted that ERA has developed weather-normal load forecasts for several LDCs including WPI 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. The Board in their Decision with Reasons issued May 15, 2008, accepted this definition of weather normal.

WPI and ERA have developed a model to weather normalize WPI'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). WPI and ERA were careful to design the model and definition of weather normal based on what appeared to be reasonable and based on past practice 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 climatologically base period comparator.

Board Staff Interrogatory #31

Ref: E3/ T2 /S1 / Attachment p6

Similar to the scenarios described above, please provide the following "back-cast" scenario's using a linear trend method based on 20-years of historical weather data.

a. Assuming Westario is preparing a forecast for test year 2006, please develop a weather normal forecast for the 2006 test year using historical weather data from 1985-2004 and compare this forecast to actual observed weather in 2006. Please calculate the variance and percentage variance from actual observed weather.

b. Assuming Westario is preparing a forecast for test year 2007, please develop a weather normal forecast for the 2007 test year using historical weather data from 1986-2005 and compare this forecast to actual observed weather in 2007. Please calculate the variance and percentage variance from actual observed weather.

c. Assuming Westario is preparing a forecast for test year 2008, please develop a weather normal forecast for the 2008 test year using historical weather data from 1987-2006 and compare the forecast to actual observed weather in 2008. Please calculate the variance and percentage variance from actual observed weather.

Responses

Similar to what has been provided in response to Board Staff IR #30, below please find tables which outline the three different 20 year weather normal scenarios for Wiarton Airport requested by Board Staff (1985-2004, 1986-2005, and 1987-2006) and 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 #30 also applies to this response.

Board Staff Interrogatory #31

Response - a

Part A								
Degree Days for Wiarton Airport								
	20-yr Weather Normal 1995-2004		Year 2006 Actual		2006 Variance from 20 yr 1985-2004 (Degree Days)		2006 Variance from 20 yr 1985-2004 (per cent)	
	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD
Jan	744.3	0.0	599.1	0	-145.2	0.0	-19.5%	N/A
Feb	687.2	0.0	681.2	0	-5.9	0.0	-0.9%	N/A
Mar	613.7	0.0	583.8	0	-29.9	0.0	-4.9%	-100.0%
Apr	387.3	1.0	338.5	0	-48.8	-1.0	-12.6%	-100.0%
May	217.7	4.3	175.2	11.9	-42.5	7.6	-19.5%	179.0%
Jun	88.5	22.3	65.3	22.1	-23.2	-0.2	-26.2%	-0.8%
Jul	28.9	52.4	5.6	88.4	-23.3	36.0	-80.7%	68.6%
Aug	36.9	43.9	37.5	42	0.6	-1.9	1.7%	-4.4%
Sep	120.0	15.7	130	4.3	10.0	-11.4	8.3%	-72.7%
Oct	297.3	0.7	323.2	0	25.9	-0.7	8.7%	-100.0%
Nov	454.7	0.0	400.3	0	-54.4	0.0	-12.0%	N/A
Dec	646.2	0.0	523.4	0	-122.8	0.0	-19.0%	N/A
Annual	**4,322.6**	**140.3**	**3,863.1**	**168.7**	**-459.5**	**28.4**	**-10.6%**	**20.2%**

Response - b

Part B								
Degree Days for Wiarton Airport								
	20-yr Weather Normal 1996-2005		Year 2007 Actual		2007 Variance from 20 yr 1986-2005 (Degree Days)		2007 Variance from 210 yr 1986-2005 (per cent)	
	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD
Jan	743.5	0.0	689.5	0	-54.0	0.0	-7.3%	N/A
Feb	686.1	0.0	751.9	0	65.8	0.0	9.6%	N/A
Mar	617.1	0.0	580.5	0	-36.6	0.0	-5.9%	-100.0%
Apr	387.7	0.8	406.7	0	19.0	-0.8	4.9%	-100.0%
May	219.1	4.1	201.9	14.9	-17.2	10.8	-7.9%	266.1%
Jun	83.1	25.4	59.9	41.2	-23.2	15.8	-27.9%	62.1%
Jul	28.3	54.8	32.7	36.9	4.4	-17.9	15.6%	-32.6%
Aug	34.9	45.6	27.1	57.7	-7.8	12.1	-22.2%	26.6%
Sep	119.1	15.8	79.9	30.3	-39.2	14.5	-32.9%	92.3%
Oct	295.7	1.4	184.2	11.1	-111.5	9.7	-37.7%	713.2%
Nov	453.5	0.0	483.5	0	30.0	0.0	6.6%	N/A
Dec	644.5	0.0	659.4	0	14.9	0.0	2.3%	N/A
Annual	**4,312.6**	**147.8**	**4,157.2**	**192.1**	**-155.4**	**44.3**	**-3.6%**	**30.0%**

Board Staff Interrogatory #31

1 **Response - c**

2

Part C								
Degree Days for Wiarton 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	735.9	0.0	638.3	0	-97.6	0.0	-13.3%	N/A
Feb	685.0	0.0	711.1	0	26.1	0.0	3.8%	N/A
Mar	616.8	0.0	670.2	0	53.4	0.0	8.7%	-100.0%
Apr	388.1	0.6	303.9	0	-84.2	-0.6	-21.7%	-100.0%
May	219.0	4.4	275.8	0	56.8	-4.4	25.9%	-100.0%
Jun	80.1	26.3	60.6	33.6	-19.5	7.3	-24.3%	27.8%
Jul	27.2	56.2	16.4	49.7	-10.8	-6.5	-39.7%	-11.6%
Aug	33.9	46.5	39	29	5.1	-17.5	15.0%	-37.6%
Sep	120.0	15.5	112	5.5	-8.0	-10.0	-6.6%	-64.6%
Oct	296.8	1.4	317.6	0	20.8	-1.4	7.0%	-100.0%
Nov	448.6	0.0	474.8	0	26.2	0.0	5.9%	N/A
Dec	640.2	0.0						
Annual	**4,291.4**	**151.0**						

3

Board Staff Interrogatory #32

Ref: E3 / T2 / S1 / Attachment p5 / Table 3

At the above reference, Westario states the load forecast is based on "OLS estimates using the 60 observations from 2003:01 to 2007:12". Please explain the rationale for using only 60 observations to develop the load forecast.

Response

Westario has used all monthly observations from the available complete calendar years of wholesale data available.

Board Staff Interrogatory #33

Ref: N/A

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

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

Board Staff Interrogatory #34

Ref: E3 / T2 / S1 /p2

At the above reference Westario 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]

Question

a. Please explain the rationale for not using 'number of customers' as an explanatory variable in the linear regression equations.

Response

In preparing forecasts for a number of LDCs, ERA has noted that employment is a better predictor of economic activity than is the number of customers. In many cases, when number of customers is added as a predictor, the estimated coefficient is statistically insignificant or of the wrong sign. Inclusion of number of customers may also cause other parameters to have counterintuitive results. In addition, to the extent that employment and number of customers move together, the problem of multicollinearity among the independent variables in the regression equation may exist. For these reasons, the number of customers was omitted as an explanatory variable from the specification of WPI's load forecast equation.

Questions

a. Please prepare a load forecast using the regression equation, Wholesale kWh=f(Total customers, HDD, CDD, Peak Days, FT Employment[Stratford-Bruce])+constant. If monthly customer data is not available, please make a reasonable assumption for the purposes of completing the interrogatory.

Board Staff Interrogatory #34

b. Please provide the statistical results of the above equation and update Table 4 (Ex 3/T2/S1/Attachment/page 6) based on the results.

Responses

The following equation (and associated statistical results) has been estimated as requested by Board Staff:

Wholesale kWh = f(Total Cust, HDD_YVV, CDD_YVV, Peak days, Strat_Bruce_FTE) + const

OLS estimates using the 48 observations 2004:01-2007:12†
Unadjusted R2 = 0.96532
Adjusted R2 = 0.96119
F-statistic (5, 42) = 233.835 (p-value < 0.00001)
Durbin-Watson statistic = 2.1982

Variable Name	Estimated Coeff.	T-Ratio	P-Value
const	-5.98658E+07	-2.822	0.00727
Total Cust	2353.12	3.078	0.00366
HDD_YVV	29492.6	28.699	<0.00001
CDD_YVV	113631	10.625	<0.00001
Peak days	415334	2.731	0.00919
Strat_Bruce_FTE	111556	3.437	0.00134

†Note: Monthly customer numbers are available only from January 2004. Total customers include Street Lighting and Sentinel Lighting connections.

Question

c. Please provide the impact on the proposed test year load and revenue forecast, if the load forecast based on the above regression equation is adopted.

Board Staff Interrogatory #34

Response

The following table provides the test year load forecast based on the proposed regression equation in OEB Staff IR 6(b) and a 10-yr weather normal (1998-2007) and the variance from the ERA load report.

Test Year 2009		ERA Report	OEB Staff per IR 34b	Variance	Variance %
Wholesale kWh		453,203,301	475,268,533	22,065,232	4.9%
Allocate to classes	share				
Residential (kWh)	0.436116447	197,649,413	207,272,424	9,623,011	
GS<50 (kWh)	0.155507568	70,476,543	73,907,854	3,431,311	
GS>50 (kWh)	0.355673679	161,192,485	169,040,508	7,848,022	
GS>50 (kW)	0.002782656	448,543	470,382	21,838	

The following table details the change in the revenue forecast based on the revised load forecast presented in the table above. Please note that revising the load forecast has an impact on the working capital; however, an adjustment to the working capital has not been factored into the revenue forecast below.

	Proposed Variable Charge (per Tx,Sx….				Amended Variable Charge as per Revised Load Forecast				Change in Variable Charge
	Rate	Volume		Revenue	Rate	Volume		Revenue	
Residential	$0.0161	197,649,413	kWh	$ 3,182,155.55	$0.0154	207,272,424	kWh	$ 3,182,155.55	**-4.64%**
General Service Less Than 50 kW	$0.0106	70,476,543	kWh	$ 747,051.36	$0.0101	73,907,854	kWh	$ 747,051.36	**-4.64%**
General Service 50 to 4,999 kW	$3.2034	448,543	kW	$ 1,436,862.65	$3.0547	470,382	kW	$ 1,436,862.65	**-4.64%**
				$ 5,366,069.56				**$ 5,366,069.56**	

Board Staff Interrogatory #35

Ref: N/A

Question

a. Please prepare a weather normal forecast for test year 2009 using a linear trend method based on 20 years of historical weather data.

Response

Our understanding is that Board Staff are requesting a linear trend forecast of monthly heating and cooling degree days for each month for 2009 based on 20-years of historical data from 1988 to 2007 at Wiarton Airport. The following table presents the linear trend forecast values:

		20-yr linear trend HDD & CDD (1988-2007)
	Wiarton Airport 2009	
	HDD	CDD
Jan	744.6	0.0
Feb	671.7	0.0
Mar	587.5	0.0
Apr	381.2	0.0
May	219.3	6.6
Jun	63.1	39.4
Jul	25.8	59.5
Aug	28.1	44.5
Sep	79.1	27.0
Oct	257.1	5.5
Nov	422.9	0.0
Dec	596.4	0.0

Question

b. Please prepare a load and revenue forecast using the methodology proposed in this application, for test year 2009 using the weather normal forecast from a. above.

Board Staff Interrogatory #35

Response

Based on the above 20-yr linear trend degree day forecast for 2009, the forecast for the 2009 test year weather sensitive classes is displayed below:

Test Year 2009		
Wholesale kWh		452,835,092
Allocate to Classes	share	
Residential (kWh)	0.436116447	197,488,831
GS<50 (kWh)	0.155507568	70,419,284
GS>50 (kWh)	0.355673679	161,061,523
GS>50 (kW)	0.002782656	448,179

Board Staff Interrogatory #36

Ref: E3 / T2 / S2 /p2

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

Question

a. 1% change in number of customers.

Response

As shown in the response to VECC IR #9 (d), the test year forecast normalized average use per customer for the Residential Class is 10,489 kWh, for the GS<50 kW class is 29,863 kWh, and for the GS>50 kW class is 656,048 kWh. A 1% change in Residential customers would result in approximately ± 189 customers or about ± 1,982,421 kWh per annum. A 1% change in GS<50 customers would result in approximately ± 24 customers or about ± 716,712 kWh per annum. A 1% change in GS>50 customers would result in approximately ± 3 customers or about ± 1,968,144 kWh per annum and ± 5,340 kW.

Impact of +1% in number of customers

			Fixed Charge			Variable Charge	
Customer Class Name	Rate	Volume [1]	Revenue [2]	Rate	Volume [1]	Revenue [2]	Total
Residential	$12.84	2,268	$29,121	$0.0161	1,982,421	$31,917	$61,038
General Service Less Than 50 kW	$24.05	288	$6,926	$0.0106	716,712	$7,597	$14,524
General Service 50 to 4,999 kW	$239.89	36	$8,636	$3.2034	5,340	$17,106	$25,742
TOTAL			**$44,684**			**$56,620**	**$101,304**

1 Fixed Charge = # Customers (Connections) multiplied by 12 (months); Variable Charge = # kW's or kWh's, as applicable
2 Rate x Volume

Board Staff Interrogatory #36

Impact of -1% in number of customers

			Fixed Charge			Variable Charge	
Customer Class Name	Rate	Volume [1]	Revenue [2]	Rate	Volume [1]	Revenue [2]	Total
Residential	$12.84	(2,268)	($29,121)	$0.0161	(1,982,421)	($31,917)	($61,038)
General Service Less Than 50 kW	$24.05	(288)	($6,926)	$0.0106	(716,712)	($7,597)	($14,524)
General Service 50 to 4,999 kW	$239.89	(36)	($8,636)	$3.2034	(5,340)	($17,106)	($25,742)
TOTAL			**($44,684)**			**($56,620)**	**($101,304)**

1 Fixed Charge = # Customers (Connections) multiplied by 12 (months); Variable Charge = # kW's or kWh's, as applicable
2 Rate x Volume

Question

b. 1% change in the proposed weather normal forecast.

Response

A change of ± 1% to weather normal HDD implies a ± 513,440 kWh per annum change for Residential Class consumption, a ± 183,080 kWh per annum change for GS<50 kW Class consumption, and a ± 418,735 kWh per annum and ± 1,165 kW per annum change for GS>50 kW Class consumption. A change of ± 1% to weather normal CDD implies a ± 83,250 kWh per annum change for Residential Class consumption, a ± 29,685 kWh per annum change for GS<50 kW Class consumption, and a ± 67,895 kWh per annum and ± 190 kW per annum change for GS>50 kW Class consumption.

Impact of +1% to weather normal HDD

			Fixed Charge			Variable Charge	
Customer Class Name	Rate	Volume [1]	Revenue [2]	Rate	Volume [1]	Revenue [2]	Total
Residential	$12.84		$0	$0.0161	513,440	$8,266	$8,266
General Service Less Than 50 kW	$24.05		$0	$0.0106	183,080	$1,941	$1,941
General Service 50 to 4,999 kW	$239.89		$0	$3.2034	1,165	$3,732	$3,732
TOTAL			**$0**			**$13,939**	**$13,939**

1 Fixed Charge = # Customers (Connections) multiplied by 12 (months); Variable Charge = # kW's or kWh's, as applicable
2 Rate x Volume

Board Staff Interrogatory #36

1 Impact of -1% to weather normal HDD

	Fixed Charge			Variable Charge			
ustomer Class Name	Rate	Volume [1]	Revenue [2]	Rate	Volume [1]	Revenue [2]	Total
Residential	$12.84		$0	$0.0161	(513,440)	($8,266)	($8,266)
General Service Less Than 50 kW	$24.05		$0	$0.0106	(183,080)	($1,941)	($1,941)
General Service 50 to 4,999 kW	$239.89		$0	$3.2034	(1,165)	($3,732)	($3,732)
TOTAL			**$0**			**($13,939)**	**($13,939)**

1 Fixed Charge = # Customers (Connections) multiplied by 12 (months); Variable Charge = # kW's or kWh's, as applicable
2 Rate x Volume

2

3 Impact of +1% to weather normal CDD

	Fixed Charge			Variable Charge			
Customer Class Name	Rate	Volume [1]	Revenue [2]	Rate	Volume [1]	Revenue [2]	Total
Residential	$12.84		$0	$0.0161	83,250	$1,340	$1,340
General Service Less Than 50 kW	$24.05		$0	$0.0106	29,685	$315	$315
General Service 50 to 4,999 kW	$239.89		$0	$3.2034	190	$609	$609
TOTAL			**$0**			**$2,264**	**$2,264**

1 Fixed Charge = # Customers (Connections) multiplied by 12 (months); Variable Charge = # kW's or kWh's, as applicable
2 Rate x Volume

4

5 Impact of -1% to weather normal CDD

	Fixed Charge			Variable Charge			
Customer Class Name	Rate	Volume [1]	Revenue [2]	Rate	Volume [1]	Revenue [2]	Total
Residential	$12.84		$0	$0.0161	(83,250)	($1,340)	($1,340)
General Service Less Than 50 kW	$24.05		$0	$0.0106	(29,685)	($315)	($315)
General Service 50 to 4,999 kW	$239.89		$0	$3.2034	(190)	($609)	($609)
TOTAL			**$0**			**($2,264)**	**($2,264)**

1 Fixed Charge = # Customers (Connections) multiplied by 12 (months); Variable Charge = # kW's or kWh's, as applicable
2 Rate x Volume

6

Board Staff Interrogatory #37

Ref: E1 / T3 / S4 / Tables G1 and G2

The Cost of Power projections of Account 4075 'Billed – LV' are $253,892 for 2008 and, $733,477 for 2009 respectively.

Question

a. Please confirm that the LV amount for Account 4075 in Table G2 of Exhibit 1 / Tab 3 / Schedule 3 is not identical with the information in Schedule 4. If so, please confirm whether or not this amount should be disregarded.

Response

The LV amount for Account 4075 in Table G2 of E1/T3/S3 represents the 2009 amount at 'existing' rates; as opposed to the amount for Account 4075 in E1/T3/S4 which represents the 2009 amount at the 'proposed' rates.

Question

b. Please provide a list of the delivery points from the host distributor and the services received, including any significant changes expected in 2009 compared to the two previous years.

Response

The table below lists all delivery points within the Westario Power service territory. Services provided by Hydro One Networks Inc. include LV, transmission network and connection. There are no significant changes expected in 2009.

Board Staff Interrogatory #37

Facility Name
Clifford PME
Elmwood PME
Hanover TS 36M1 PME
Harriston PME
Kincardine PME
Lucknow MS PME
Mildmay PME
Neustadt PME
Palmerston Daly MS
Port Elgin PME
Ripley PME
Southampton MS1 PME
Southampton MS2 PME
Southampton MS3 PME
Teeswater MS PME
Walkerton PME
Wingham PME

Question

c. Please provide a detailed table showing the components of Account 4075, showing all charge determinants for each delivery point in 2007, and if available also showing the corresponding projected amounts for 2009.

Board Staff Interrogatory #37

1 **Response**

LV -2007		12/29/06-12/31/06			12/29/06-01/26/07	
Delivery Point	# of kw	Price per kw	Total	# of kw	Price per kw	Total
DOUGLAS POINT						
917086009	-1,700.85	$ 0.63	$ (1,071.54)	16,441.59	$ 0.63	$10,358.20
1169357001	-273.26	$ 0.63	$ (172.15)	2,641.49	$ 0.63	$ 1,664.14
1475479005	-1,466.60	$ 0.63	$ (923.96)	14,177.17	$ 0.63	$ 8,931.62
1835182003	-118.30	$ 0.63	$ (74.53)	1,143.61	$ 0.63	$ 720.47
2231836009	-293.95	$ 0.63	$ (185.19)	2,841.51	$ 0.63	$ 1,790.15
	-3,852.97		$ (2,427.37)	37,245.37		$23,464.58
WINGHAM TS						
749509000	-133.95	$ 0.63	$ (84.39)	1,294.82	$ 0.63	$ 815.74
1445199003	-251.97	$ 0.63	$ (158.74)	2,435.70	$ 0.63	$ 1,534.49
1691250004	-541.92	$ 0.63	$ (341.41)	5,238.57	$ 0.63	$ 3,300.30
1931649009	-172.96	$ 0.63	$ (108.96)	1,671.92	$ 0.63	$ 1,053.31
2255957005	-89.71	$ 0.63	$ (56.52)	867.18	$ 0.63	$ 546.32
	-1,190.50		$ (750.02)	11,508.19		$ 7,250.16
HANOVER TS						
701280006	-900.55	$ 0.63	$ (567.34)	8,705.27	$ 0.63	$ 5,484.32
2267692019	-211.13	$ 0.63	$ (133.01)	2,040.95	$ 0.63	$ 1,285.80
2399897004	-48.56	$ 0.63	$ (30.60)	469.46	$ 0.63	$ 295.76
3503825002	-87.53	$ 0.63	$ (55.14)	846.08	$ 0.63	$ 533.03
7343683006	-1,611.70	$ 0.63	$ (1,015.37)	15,579.81	$ 0.63	$ 9,815.28
	-2,859.47		$ (1,801.47)	27,641.57		$17,414.19
PALMERSTON TS						
584661003	-265.60	$ 0.63	$ (167.33)	2,567.49	$ 0.63	$ 1,617.52
2079619008	-271.39	$ 0.63	$ (170.98)	2,623.44	$ 0.63	$ 1,652.77
4271382000	-143.35	$ 0.63	$ (90.31)	1,385.73	$ 0.63	$ 873.01
6943612008	-392.24	$ 0.63	$ (247.11)	3,791.64	$ 0.63	$ 2,388.73
	-1,072.58		$ (675.73)	10,368.30		$ 6,532.03
Total LV-2007	-8,975.53		$ (5,654.58)	86,763.43		$54,660.96
LVDS -2007						
WINGHAM TS						
749509000	-133.95	$ 2.11	$ (282.63)	1,294.82	$ 2.11	$ 2,732.07
HANOVER TS						
2267692019	-211.13	$ 2.11	$ (445.49)	2,040.95	$ 2.11	$ 4,306.40
2399897004	-48.56	$ 2.11	$ (102.47)	469.46	$ 2.11	$ 990.56
3503825002	-87.53	$ 2.11	$ (184.68)	846.08	$ 2.11	$ 1,785.23
	-347.22		$ (732.64)	3,356.49		$ 7,082.19
PALMERSTON TS						
2079619008	-271.39	$ 2.11	$ (572.63)	2,623.44	$ 2.11	$ 5,535.46
Total LVDS-2007	-752.56		$ (1,587.90)	7,274.75		$15,349.72
Total LV Charges	-9,728.09		$ (7,242.48)	94,038.18		$70,010.68

Board Staff Interrogatory #37

1

LV -2007	01/27/07-02/26/07			02/27/07-03/27/08		
Delivery Point	# of kw	Price per kw	Total	# of kw	Price per kw	Total
917086009	17,836.76	$ 0.63	$11,237.16	18,280.77	$ 0.63	$11,516.89
1169357001	2,698.58	$ 0.63	$ 1,700.11	2,751.64	$ 0.63	$ 1,733.53
1475479005	15,019.66	$ 0.63	$ 9,462.39	15,403.85	$ 0.63	$ 9,704.43
1835182003	1,291.24	$ 0.63	$ 813.48	1,321.67	$ 0.63	$ 832.65
2231836009	3,118.12	$ 0.63	$ 1,964.42	3,128.51	$ 0.63	$ 1,970.96
	39,964.36		$25,177.55	40,886.44		$25,758.46
WINGHAM TS						
749509000	1,332.59	$ 0.63	$ 839.53	1,380.25	$ 0.63	$ 869.56
1445199003	2,404.83	$ 0.63	$ 1,515.04	2,448.91	$ 0.63	$ 1,542.81
1691250004	5,252.50	$ 0.63	$ 3,309.08	5,579.95	$ 0.63	$ 3,515.37
1931649009	1,760.50	$ 0.63	$ 1,109.12	1,709.66	$ 0.63	$ 1,077.09
2255957005	844.94	$ 0.63	$ 532.31	878.99	$ 0.63	$ 553.76
	11,595.36		$ 7,305.08	11,997.76		$ 7,558.59
HANOVER TS						
701280006	8,946.89	$ 0.63	$ 5,636.54	8,996.48	$ 0.63	$ 5,667.78
2267692019	2,026.92	$ 0.63	$ 1,276.96	2,004.53	$ 0.63	$ 1,262.85
2399897004	506.71	$ 0.63	$ 319.23	489.56	$ 0.63	$ 308.42
3503825002	926.23	$ 0.63	$ 583.52	933.89	$ 0.63	$ 588.35
7343683006	15,143.29	$ 0.63	$ 9,540.27	15,371.87	$ 0.63	$ 9,684.28
	27,550.04		$17,356.53	27,796.33		$17,511.69
PALMERSTON TS						
584661003	2,608.84	$ 0.63	$ 1,643.57	2,589.72	$ 0.63	$ 1,631.52
2079619008	2,739.34	$ 0.63	$ 1,725.78	2,854.53	$ 0.63	$ 1,798.35
4271382000	1,469.12	$ 0.63	$ 925.55	1,515.95	$ 0.63	$ 955.05
6943612008	3,774.83	$ 0.63	$ 2,378.14	4,006.60	$ 0.63	$ 2,524.16
	10,592.13		$ 6,673.04	10,966.80		$ 6,909.08
Total LV-2007	89,701.89		$56,512.19	91,647.33		$57,737.82
LVDS -2007						
WINGHAM TS						
749509000	1,332.58	$ 2.11	$ 2,811.74	1,380.25	$ 2.11	$ 2,912.33
HANOVER TS						
2267692019	2,026.92	$ 2.11	$ 4,276.80	2,004.53	$ 2.11	$ 4,229.56
2399897004	506.71	$ 2.11	$ 1,069.16	489.56	$ 2.11	$ 1,032.97
3503825002	926.23	$ 2.11	$ 1,954.35	933.89	$ 2.11	$ 1,970.51
	3,459.86		$ 7,300.30	3,427.98		$ 7,233.04
PALMERSTON TS						
2079619008	2,739.34	$ 2.11	$ 5,780.01	2,854.53	$ 2.11	$ 6,023.06
Total LVDS-2007	7,531.78		$15,892.06	7,662.76		$16,168.42

Board Staff Interrogatory #37

1

LV -2007	03/28/07-04/27/07			04/28/07-05/29/07		
Delivery Point	# of kw	Price per kw	Total	# of kw	Price per kw	Total
DOUGLAS POINT						
917086009	15,167.69	$ 0.63	$ 9,555.64	13,958.65	$ 0.6307272	$ 8,804.10
1169357001	2,333.18	$ 0.63	$ 1,469.90	2,257.12	$ 0.6307272	$ 1,423.63
1475479005	12,299.96	$ 0.63	$ 7,748.97	11,384.47	$ 0.6307272	$ 7,180.49
1835182003	1,117.44	$ 0.63	$ 703.99	1,119.34	$ 0.6307272	$ 706.00
2231836009	2,561.41	$ 0.63	$ 1,613.69	2,633.60	$ 0.6307272	$ 1,661.08
	33,479.68		$21,092.20	31,353.18		$19,775.30
WINGHAM TS						
749509000	1,215.71	$ 0.63	$ 765.90	1,022.51	$ 0.6307272	$ 644.92
1445199003	2,116.67	$ 0.63	$ 1,333.50	1,876.49	$ 0.6307272	$ 1,183.55
1691250004	5,120.17	$ 0.63	$ 3,225.71	5,457.34	$ 0.6307272	$ 3,442.09
1931649009	1,446.58	$ 0.63	$ 911.35	1,334.80	$ 0.6307272	$ 841.89
2255957005	868.88	$ 0.63	$ 547.39	788.36	$ 0.6307272	$ 497.24
	10,768.01		$ 6,783.85	10,479.50		$ 6,609.71
HANOVER TS						
701280006	8,296.30	$ 0.63	$ 5,226.67	7,657.27	$ 0.6307272	$ 4,829.65
2267692019	1,748.10	$ 0.63	$ 1,101.30	1,627.05	$ 0.6307272	$ 1,026.22
2399897004	428.90	$ 0.63	$ 270.21	413.02	$ 0.6307272	$ 260.50
3503825002	868.84	$ 0.63	$ 547.37	810.26	$ 0.6307272	$ 511.05
7343683006	14,581.63	$ 0.63	$ 9,186.43	13,821.59	$ 0.6307272	$ 8,717.65
	25,923.77		$16,331.98	24,329.19		$15,345.08
PALMERSTON TS						
584661003	2,736.85	$ 0.63	$ 1,724.22	2,758.78	$ 0.6307272	$ 1,740.04
2079619008	2,555.84	$ 0.63	$ 1,610.18	2,398.64	$ 0.6307272	$ 1,512.89
4271382000	1,337.95	$ 0.63	$ 842.91	1,181.35	$ 0.6307272	$ 745.11
6943612008	3,378.06	$ 0.63	$ 2,128.18	3,207.59	$ 0.6307272	$ 2,023.11
	10,008.70		$ 6,305.48	9,546.36		$ 6,021.15
Total LV-2007	80,180.16		$50,513.50	75,708.23		$47,751.24
LVDS -2007						
WINGHAM TS						
749509000	1,215.71	$ 2.11	$ 2,565.15	1,022.51	$ 2.1124242	$ 2,159.97
HANOVER TS						
2267692019	1,748.10	$ 2.11	$ 3,688.49	1,627.05	$ 2.1124242	$ 3,437.02
2399897004	428.90	$ 2.11	$ 904.98	413.02	$ 2.1124242	$ 872.47
3503825002	868.84	$ 2.11	$ 1,833.25	810.26	$ 2.1124242	$ 1,711.61
	3,045.84		$ 6,426.72	2,850.33		
PALMERSTON TS						
2079619008	2,555.84	$ 2.11	$ 5,392.82	2,398.64	$ 2.1124242	
Total LVDS-2007	6,817.39		$14,384.69	6,271.48		
Total LV Charges	86,997.55		$64,898.19	81,979.71		

Board Staff Interrogatory #37

1

LV -2007	05/30/07-06/27/07			06/28/07-07/26/08		
Delivery Point	# of kw	Price per kw	Total	# of kw	Price per kw	Total
DOUGLAS POINT						
917086009	9,183.54	$0.633	$ 5,813.18	9,273.80	$0.633	$ 5,870.32
1169357001	1,655.35	$0.633	$ 1,047.84	1,742.63	$0.633	$ 1,103.08
1475479005	8,350.52	$0.633	$ 5,285.88	9,589.68	$0.633	$ 6,070.27
1835182003	934.59	$0.633	$ 591.60	959.76	$0.633	$ 607.53
2231836009	2,849.64	$0.633	$ 1,803.82	2,253.41	$0.633	$ 1,426.41
	22,973.64		$14,542.31	23,819.28		$15,077.60
WINGHAM TS						
749509000	713.42	$0.633	$ 451.59	726.76	$0.633	$ 460.04
1445199003	1,446.30	$0.633	$ 915.51	1,494.99	$0.633	$ 946.33
1691250004	4,221.71	$0.633	$ 2,672.34	4,616.57	$0.633	$ 2,922.29
1931649009	971.66	$0.633	$ 615.06	1,055.51	$0.633	$ 668.14
2255957005	793.10	$0.633	$ 502.03	837.45	$0.633	$ 530.11
	8,146.19		$ 5,156.54	8,731.28		$ 5,526.90
HANOVER TS						
701280006	7,997.84	$0.633	$ 5,062.63	9,010.24	$0.633	$ 5,703.48
2267692019	1,257.05	$0.633	$ 795.71	1,509.21	$0.633	$ 955.33
2399897004	292.54	$0.633	$ 185.18	293.91	$0.633	$ 186.05
3503825002	649.22	$0.633	$ 410.96	646.14	$0.633	$ 409.01
7343683006	15,167.84	$0.633	$ 9,601.24	16,944.68	$0.633	$10,725.98
	25,364.49		$16,055.72	28,404.18		$17,979.85
PALMERSTON TS						
584661003	3,040.15	$0.633	$ 1,924.41	3,219.82	$0.633	$ 2,038.15
2079619008	1,991.43	$0.633	$ 1,260.58	2,346.64	$0.633	$ 1,485.42
4271382000	995.75	$0.633	$ 630.31	995.21	$0.633	$ 629.97
6943612008	2,826.11	$0.633	$ 1,788.93	3,248.38	$0.633	$ 2,056.22
	8,853.44		$ 5,604.23	9,810.05		$ 6,209.76
Total LV-2007	65,337.76		$41,358.80	70,764.79		$44,794.11
LVDS -2007						
WINGHAM TS						
749509000	713.42	$2.120	$ 1,512.45	726.76	$2.120	$ 1,540.73
HANOVER TS						
2267692019	1,257.05	$2.120	$ 2,664.95	1,509.21	$2.120	$ 3,199.53
2399897004	292.54	$2.120	$ 620.18	293.91	$2.120	$ 623.09
3503825002	649.22	$2.120	$ 1,376.35	646.14	$2.120	$ 1,369.82
	2,198.81		$ 4,661.48	2,449.26		$ 5,192.43
PALMERSTON TS						
2079619008	1,991.43	$2.120	$ 4,221.83	2,346.64	$2.120	$ 4,974.88
Total LVDS-2007	4,903.66		$10,395.76	5,522.66		$11,708.04
Total LV Charges	70,241.42		$51,754.56	76,287.45		$56,502.15

Board Staff Interrogatory #37

1

LV -2007	07/27/07-08/28/07			08/29/07-09/27/07		
Delivery Point	# of kw	Price per kw	Total	# of kw	Price per kw	Total
DOUGLAS POINT						
917086009	9,537.95	$0.633	$ 6,037.52	8,655.52	$0.633	$ 5,478.94
1169357001	2,564.25	$0.633	$ 1,623.17	1,726.22	$0.633	$ 1,092.70
1475479005	10,078.18	$0.633	$ 6,379.49	9,190.58	$0.633	$ 5,817.64
1835182003	858.38	$0.633	$ 543.35	801.04	$0.633	$ 507.06
2231836009	2,145.40	$0.633	$ 1,358.04	2,058.96	$0.633	$ 1,303.32
	25,184.16		$15,941.57	22,432.32		$14,199.66
WINGHAM TS						
749509000	800.36	$0.633	$ 506.63	732.67	$0.633	$ 463.78
1445199003	1,550.62	$0.633	$ 981.54	1,497.24	$0.633	$ 947.75
1691250004	4,844.42	$0.633	$ 3,066.52	4,406.84	$0.633	$ 2,789.53
1931649009	1,052.79	$0.633	$ 666.42	1,049.28	$0.633	$ 664.19
2255957005	839.69	$0.633	$ 531.52	833.99	$0.633	$ 527.92
	9,087.88		$ 5,752.63	8,520.02		$ 5,393.17
HANOVER TS						
701280006	8,480.37	$0.633	$ 5,368.07	8,548.53	$0.633	$ 5,411.22
2267692019	1,429.33	$0.633	$ 904.77	1,385.15	$0.633	$ 876.80
2399897004	304.50	$0.633	$ 192.75	295.64	$0.633	$ 187.14
3503825002	688.92	$0.633	$ 436.09	639.05	$0.633	$ 404.52
7343683006	16,206.39	$0.633	$10,258.64	16,069.06	$0.633	$10,171.71
	27,109.51		$17,160.32	26,937.43		$17,051.39
PALMERSTON TS						
584661003	3,089.52	$0.633	$ 1,955.67	3,257.00	$0.633	$ 2,061.68
2079619008	2,348.17	$0.633	$ 1,486.39	2,144.24	$0.633	$ 1,357.30
4271382000	963.21	$0.633	$ 609.71	913.93	$0.633	$ 578.52
6943612008	3,185.52	$0.633	$ 2,016.43	3,058.86	$0.633	$ 1,936.26
	9,586.42		$ 6,068.20	9,374.03		$ 5,933.76
Total LV-2007	70,967.97		$44,922.73	67,263.80		$42,577.99
LVDS -2007						
WINGHAM TS						
749509000	800.36	$2.120	$ 1,696.76	732.67	$2.120	$ 1,553.26
HANOVER TS						
2267692019	1,429.33	$2.120	$ 3,030.18	1,385.15	$2.120	$ 2,936.52
2399897004	304.50	$2.120	$ 645.54	295.64	$2.120	$ 626.76
3503825002	688.92	$2.120	$ 1,460.51	639.05	$2.120	$ 1,354.79
	2,422.75		$ 5,136.23	2,319.84		$ 4,918.06
PALMERSTON TS						
2079619008	2,348.17	$2.120	$ 4,978.12	2,144.24	$2.120	$ 4,545.79
Total LVDS-2007	5,571.28		$11,811.11	5,196.75		$11,017.11
Total LV Charges	76,539.25		$56,733.84	72,460.55		$53,595.10

Board Staff Interrogatory #37

1

LV -2007	09/28/07-10/29/07			10/30/07-11/27/07		
Delivery Point	# of kw	Price per kw	Total	# of kw	Price per kw	Total
DOUGLAS POINT						
917086009	8,297.32	$0.633	$ 5,252.20	14,223.65	$0.633	$ 9,003.57
1169357001	1,694.17	$0.633	$ 1,072.41	1,990.95	$0.633	$ 1,260.27
1475479005	8,529.81	$0.633	$ 5,399.37	10,634.41	$0.633	$ 6,731.58
1835182003	793.28	$0.633	$ 502.15	911.55	$0.633	$ 577.01
2231836009	2,068.60	$0.633	$ 1,309.42	2,136.14	$0.633	$ 1,352.18
	21,383.18		$13,535.55	29,896.70		$18,924.61
WINGHAM TS						
749509000	717.83	$0.633	$ 454.39	1,029.44	$0.633	$ 651.64
1445199003	1,454.56	$0.633	$ 920.74	1,788.12	$0.633	$ 1,131.88
1691250004	4,052.52	$0.633	$ 2,565.25	4,495.76	$0.633	$ 2,845.82
1931649009	1,000.09	$0.633	$ 633.06	1,428.11	$0.633	$ 903.99
2255957005	834.28	$0.633	$ 528.10	843.02	$0.633	$ 533.63
	8,059.28		$ 5,101.52	9,584.45		$ 6,066.96
HANOVER TS						
701280006	7,905.49	$0.633	$ 5,004.18	7,528.05	$0.633	$ 4,765.26
2267692019	1,344.05	$0.633	$ 850.78	1,639.68	$0.633	$ 1,037.92
2399897004	278.34	$0.633	$ 176.19	220.53	$0.633	$ 139.60
3503825002	598.29	$0.633	$ 378.72	743.04	$0.633	$ 470.34
7343683006	14,572.06	$0.633	$ 9,224.11	13,697.75	$0.633	$ 8,670.68
	24,698.23		$15,633.98	23,829.05		$15,083.79
PALMERSTON TS						
584661003	3,215.71	$0.633	$ 2,035.54	2,942.30	$0.633	$ 1,862.48
2079619008	2,114.63	$0.633	$ 1,338.56	2,359.52	$0.633	$ 1,493.58
4271382000	941.99	$0.633	$ 596.28	1,103.08	$0.633	$ 698.25
6943612008	2,980.03	$0.633	$ 1,886.36	3,273.93	$0.633	$ 2,072.40
	9,252.36		$ 5,856.74	9,678.83		$ 6,126.70
Total LV-2007	63,393.05		$40,127.80	72,989.03		$46,202.06
LVDS -2007						
WINGHAM TS						
749509000	717.83	$2.120	$ 1,521.80	1,029.44	$2.120	$ 2,182.41
HANOVER TS						
2267692019	1,344.05	$2.120	$ 2,849.39	1,639.68	$2.120	$ 3,476.12
2399897004	278.34	$2.120	$ 590.08	348.39	$2.120	$ 738.59
3503825002	598.29	$2.120	$ 1,268.37	743.04	$2.120	$ 1,575.24
	2,220.68		$ 4,707.84	2,731.11		$ 5,789.95
PALMERSTON TS						
2079619008	2,114.63	$2.120	$ 4,483.02	2,359.52	$2.120	$ 5,002.18
Total LVDS-2007	5,053.14		$10,712.66	6,120.07		$12,974.55
Total LV Charges	68,446.19		$50,840.46	79,109.10		$59,176.60

Board Staff Interrogatory #37

1

LV -2007	11/28/07-12/28/07			12/29/07-12/31/07		
Delivery Point	# of kw	Price per kw	Total	# of kw	Price per kw	Total
DOUGLAS POINT						
917086009	15,368.10	$0.633	$ 9,728.01	1,487.24	$0.633	$ 941.42
1169357001	2,569.06	$0.633	$ 1,626.21	248.62	$0.633	$ 157.38
1475479005	13,813.86	$0.633	$ 8,744.17	1,336.83	$0.633	$ 846.21
1835182003	1,206.34	$0.633	$ 763.61	116.74	$0.633	$ 73.90
2231836009	2,792.27	$0.633	$ 1,767.51	270.22	$0.633	$ 171.05
	35,749.63		$22,629.52	3,459.64		$ 2,189.95
WINGHAM TS						
749509000	1,290.29	$0.633	$ 816.75	124.87	$0.633	$ 79.04
1445199003	2,209.01	$0.633	$ 1,398.30	213.78	$0.633	$ 135.32
1691250004	5,008.44	$0.633	$ 3,170.34	484.69	$0.633	$ 306.81
1931649009	1,729.89	$0.633	$ 1,095.02	167.41	$0.633	$ 105.97
2255957005	918.27	$0.633	$ 581.26	88.86	$0.633	$ 56.25
	11,155.90		$ 7,061.68	1,079.60		$ 683.39
HANOVER TS						
701280006	9,074.95	$0.633	$ 5,744.44	878.22	$0.633	$ 555.91
2267692019	2,161.59	$0.633	$ 1,368.29	209.19	$0.633	$ 132.41
2399897004	485.63	$0.633	$ 307.40	47.00	$0.633	$ 29.75
3503825002	853.14	$0.633	$ 540.04	82.56	$0.633	$ 52.26
7343683006	14,922.32	$0.633	$ 9,445.83	1,444.10	$0.633	$ 914.11
	27,497.63		$17,406.00	2,661.06		$ 1,684.45
PALMERSTON TS						
584661003	2,921.52	$0.633	$ 1,849.32	282.73	$0.633	$ 178.97
2079619008	2,831.75	$0.633	$ 1,792.50	274.04	$0.633	$ 173.47
4271382000	1,366.57	$0.633	$ 865.04	132.25	$0.633	$ 83.71
6943612008	3,753.19	$0.633	$ 2,375.77	363.21	$0.633	$ 229.91
	10,873.03		$ 6,882.63	1,052.23		$ 666.06
Total LV-2007	85,276.19		$53,979.83	8,252.53		$ 5,223.85
LVDS -2007						
WINGHAM TS						
749509000	1,290.29	$2.120	$ 2,735.41	124.87	$2.120	$ 264.72
HANOVER TS						
2267692019	2,161.59	$2.120	$ 4,582.57	209.19	$2.120	$ 443.47
2399897004	485.63	$2.120	$ 1,029.54	47.00	$2.120	$ 99.63
3503825002	853.14	$2.120	$ 1,808.66	82.56	$2.120	$ 175.03
	3,500.36		$ 7,420.76	338.74		$ 718.14
PALMERSTON TS						
2079619008	2,831.75	$2.120	$ 6,003.31	274.04	$2.120	$ 580.97
Total LVDS-2007	7,622.40		$16,159.49	737.65		$ 1,563.82
Total LV Charges	92,898.59		$70,139.32	8,990.19		$ 6,787.68

Board Staff Interrogatory #37

LV -2007		Total - 2007			Projected 2009
Delivery Point	# of kw	Total	# of kw	Price per kw	Total
DOUGLAS POINT					
917086009	156,011.72	$ 98,525.62	154,420.40	$0.580	$ 89,563.83
1169357001	26,600.00	$ 16,802.22	26,328.68	$0.580	$ 15,270.64
1475479005	138,342.37	$ 87,378.54	136,931.28	$0.580	$ 79,420.14
1835182003	12,456.68	$ 7,868.27	12,329.62	$0.580	$ 7,151.18
2231836009	30,563.84	$ 19,306.86	30,252.09	$0.580	$ 17,546.21
	363,974.61	$229,881.50	360,262.07		$ 208,952.00
WINGHAM TS					
749509000	12,247.57	$ 7,735.12	12,122.64	$0.580	$ 7,031.13
1445199003	22,685.25	$ 14,328.03	22,453.86	$0.580	$ 13,023.24
1691250004	58,237.56	$ 36,790.02	57,643.53	$0.580	$ 33,433.25
1931649009	16,205.24	$ 10,235.64	16,039.95	$0.580	$ 9,303.17
2255957005	10,147.31	$ 6,411.34	10,043.80	$0.580	$ 5,825.41
	119,522.92	$ 75,500.15	118,303.79		$ 68,616.20
HANOVER TS					
701280006	101,125.36	$ 63,892.81	100,093.88	$0.580	$ 58,054.45
2267692019	20,171.66	$ 12,742.14	19,965.91	$0.580	$ 11,580.23
2399897004	4,477.17	$ 2,827.57	4,431.50	$0.580	$ 2,570.27
3503825002	9,198.14	$ 5,810.12	9,104.32	$0.580	$ 5,280.50
7343683006	181,910.68	$114,940.85	180,055.19	$0.580	$ 104,432.01
	316,883.01	$200,213.49	313,650.80		$ 181,917.46
PALMERSTON TS					
584661003	34,964.83	$ 22,095.75	34,608.18	$0.580	$ 20,072.75
2079619008	29,310.82	$ 18,516.79	29,011.85	$0.580	$ 16,826.87
4271382000	14,158.74	$ 8,943.10	14,014.32	$0.580	$ 8,128.30
6943612008	40,455.71	$ 25,557.50	40,043.07	$0.580	$ 23,224.98
	118,890.10	$ 75,113.14	117,677.42		$ 68,252.90
Total LV-2007	919,270.64	$580,708.29	909,894.08		$ 527,738.56
LVDS -2007					
WINGHAM TS					
749509000	12,247.56	$ 25,906.19	12,122.63	$1.240	$ 15,032.07
HANOVER TS					
2267692019	20,171.66	$ 42,675.51	19,965.91	$1.240	$ 24,757.73
2399897004	4,605.03	$ 9,741.08	4,558.06	$1.240	$ 5,651.99
3503825002	9,198.14	$ 19,459.04	9,104.32	$1.240	$ 11,289.35
	33,974.83	$ 71,875.62	33,628.29		$ 41,699.08
PALMERSTON TS					
2079619008	29,310.82	$ 62,015.75	29,011.85	$1.240	$ 35,974.69
Total LVDS-2007	75,533.21	$159,797.56	74,762.77		$ 92,705.84
Total LV Charges	994,803.85	$740,505.85	984,656.85		$ 620,444.40

Board Staff Interrogatory #37

Question

d. Please confirm that the projected cost for 2009 is based on the Sub-Transmission rates applied for by Hydro One in EB-2007-0681, Exhibit G2 / Tab 94 / Schedule 1. Alternatively, if the projected cost is not based on these rates, please provide a projected cost based on these rates.

Response

The projected costs for LV charges were not calculated with the Sub-Transmission rates applied for by Hydro One in EB-2007-0681 but on existing rates.

The LV charges projected at the rates as applied for under EB-2007-0681 are shown on pages 9 and 10.

Question

e. Please provide any additional explanation that might be helpful in understanding the increase of 189% in this expense.

Response

In Westario Power Inc.'s 2006 Decision and Order (RP-2005-0020/EB-2005-0434); the Board approved LV charges in the amount of $257,598. Since there has been no significant change in the applicant's load profile, the amount requested in the 2006 EDR was too low. There have also been significant increases in Westario Power Inc.'s account 1550 – LV Variance Account as shown in Exhibit 5, Tab 1, Attachment 1.

Board Staff Interrogatory #38

Ref: E9 / T1 / S1 / p6

The forecast cost of LV Charges in Account 4750 is $733,477, and is allocated to the customer classes per Table 6 in the above reference. Please provide a table showing the rate adder for each class proposed for 2009. For ease of comparison, please also show the adders that were approved in the previous rate rebasing in 2006.

Response

Customer Class	2006 Approved			2009 Proposed		
	Volumetric Quantity	Rate	Total	Volumetric Quantity	Rate	Total
Residential	203,562,663 kWh	0.0006	117,150	197,649,413 kWh	0.0018	355,769
GS less than 50 kW	70,522,040 kWh	0.0005	38,227	70,476,543 kWh	0.0016	112,762
GS greater than 50 kW	452,234 kW	0.2168	98,028	448,543 kW	0.5909	265,044
GS greater than 50 kW (Time of Use)	5,884kW	0.2232	1,313			
Unmetered Scattered Load	538,256 kWh	0.0006	315	501,647 kWh	0.0016	803
Sentinel Lighting	39 kW	0.1506	6	17 kW	0.4706	8
Street Lighting	13,579 kW	0.1885	2,559	11,037 kW	0.4567	5,041
Total			**$257,598**			**$739,427***

* Allocated cost of $739,427 is higher than proposed amount of $733,477 due to rounding the rate rider to 4 decimal places.

Board Staff Interrogatory #39

Ref: Information Filing EB-2007-0003

Question

a. Please provide for the record of this application an electronic copy of Westario's cost allocation study EB-2007-0003 (rolled-up Informational Filing). Please provide Run 1 or Run 2, whichever is more relevant to this application.

Response

The requested file is provided as Exhibit 10 Tab 2 Schedule 39 Attachment A.

Question

b. The calculated floor value for the Unmetered Scattered Load is approximately $2.60 per month higher than the corresponding calculation for the General Service < 50 kW class, whereas one might have expected it to be lower by an amount of approximately $5.70 based on Sheet O3.5.

Please provide a copy of the following two worksheets of the Informational Filing in their detailed form, i.e. not "rolled-up":

- Sheet O2 'Monthly Fixed Charge Min & Max Worksheet'
- Sheet O3.5 'USL Metering Credit Worksheet.

Response

Please refer to Sheet O2 and Sheet O3.5 of Exhibit 10 Tab 2 Schedule 39 Attachment A.

Board Staff Interrogatory #39

Question

c. Please provide an explanation of the apparent anomaly identified in b. above. Alternatively, please provide a revised version of Worksheet O2 and an explanation of any input changes that have been made to eliminate the anomaly.

Response

According to the Electricity Cost Allocation Guidelines dated November 15, 2006, the USL metering credit is used to determine the customer charge for USL customers in Run 1 where USL customers are part of the GS < 50 kW class. Westario Power's USL customers are a separate rate class. WPI has therefore used Run 2 and allocated costs to the USL class. The USL metering credit is not used in determining the floor for the customer charge.

The "Customer Unit Cost per Month -- Avoided Cost" that appears on line 14 of sheet O2 of the cost allocation model is determined primarily by the capital cost of meters, net of accumulated amortization, (account #1860), meter reading expenses (account #5310), customer billing (account #5315) and collecting (account #5320). No costs are allocated to the USL class or meters or meter reading expenses, which has the effect of increasing the avoided costs of the GS < 50 class as compared to the USL class. On the other hand, customer billing and collecting are allocated on the basis of the weighted customer count-billing (CWNB), as shown at lines 160 and 161 of worksheet E4, TB allocation details. As can be seen at line 34 of worksheet I6, customer data, the weighting factor for GS<50 is 2.0, while the weighting factor for USL is 5.0. These weighting factors are the default values embedded in the OEB Cost Allocation Model. Because of this differential in weighting factors, the customer billing and collection costs allocated to the USL class are more per customer than those allocated to the GS<50 class. Overall, the impact on the total avoided costs related to customer billing and collection costs dominates the impact of the meter and meter reading costs; thereby producing the observed result which is that the avoided costs and floor value for the customer charge is higher for the USL class than for the GS<50 class.

2006 COST ALLOCATION INFORMATION FILING

Westario Power Inc.

EB-2005-0434 EB-2007-0003

Friday, April 13, 2007

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

Output sheet showing minimum and maximum level for Monthly Fixed Charge

Summary

	1	2	3	7	8	9
	Residential	GS <50	GS>50-Regular	Street Light	Sentinel	Unmetered Scattered Load
Customer Unit Cost per month - Avoided Cost	$4.61	$8.59	$48.41	$0.01	$0.23	$11.19
Customer Unit Cost per month - Directly Related	$7.68	$14.92	$72.11	$0.01	$0.46	$21.19
Customer Unit Cost per month - Minimum System with PLCC Adjustment	$13.98	$27.03	$103.19	$6.90	$7.36	$27.02
Fixed Charge per approved 2006 EDR	$11.02	$19.85	$283.38	$2.30	$1.35	$4.38

2006 COST ALLOCATION INFORMATION FILING

Westario Power Inc.

EB-2005-0434 EB-2007-0003

Friday, April 13, 2007

Sheet O3.5 USL Metering Credit Worksheet - Second Run

ALLOCATION BY RATE CLASSIFICATION

Description	GS <50
Depreciation on Acct 1860 Metering	$10,523
Depreciation on General Plant Assigned to Metering	$967
Acct 5065 - Meter expense	$951
Acct 5070 & 5075 - Customer Premises	$37
Acct 5175 - Meter Maintenance	$4,470
Acct 5310 - Meter Reading	$62,709
Admin and General Assigned to Metering	$57,633
PILs on Metering	$6,645
Debt Return on Metering	$5,855
Equity Return on Metering	$10,320
Total	$160,110
Number of Customers	2,314
Metering Unit Cost ($/Customer/Month)	**$5.77**
General Plant - Gross Assets	$56,027
General Plant - Accumulated Depreciation	($40,259)
General Plant - Net Fixed Assets	$15,769
General Plant - Depreciation	$15,986
Total Net Fixed Assets Excluding General Plant	$2,972,558
Total Administration and General Expense	$399,451
Total O&M	$472,461
Metering Rate Base	
Acct 1860 - Metering - Gross Assets	$210,437
Metering - Accumulated Depreciation	($30,628)
Metering - Net Fixed Assets	$179,808
General Plant Assigned to Metering - NFA	$954
Metering Net Fixed Assets Including General Plant	$180,762

Board Staff Interrogatory #40

Ref: E8 / T1 / S2

Please confirm that the revenue to cost ratios are based on revenue net of the LV adder and on cost net of the cost of LV service.

Response

The revenue to cost ratios are based on revenues net of the LV adder and on cost net of the LV service charge.

Board Staff Interrogatory #41

Ref: E9 / T1 / S9

Please provide an explanation of why the bill impact on Sentinel Lights is approximately three times higher than for any other rate class, particularly in consideration that the revenue to cost ratio is scarcely increasing for this class.

Response

Under Westario Power Inc.'s Cost Allocation informational filing (EB-2007-0003); the revenue allocation for Sentinel Lights was calculated at 0.01%. Under Westario Power Inc.'s current rate structure, the Sentinel Light class revenue allocation is 0.00265%. The bill impact is a result of Westario Power's proposal to move the revenue allocation from the current 0.00265% to 0.01%. The total rate impact for the entire Sentinel Light rate class is an annual increase from $246 to $618.

Board Staff Interrogatory #42

Ref: E9 / T1 / S9 / p26 and Informational Filing Worksheet O2

Question

a. Please confirm that the proposed Monthly Service Charge for Unmetered Scattered Load is based on the calculated floor amount from Sheet O2 of the Informational Filing.

Response

The proposed monthly service charge of $11.19 for Unmetered Scattered Load is based on the calculated floor amount from Sheet O2 of the Informational Filing (EB-2007-0003).

Question

b. Please provide a calculation of potential USL fixed and volumetric charges that are a uniform percentage adjustment from the currently approved charges and that yield the appropriate revenue from the USL class.

Response

Please see table below that details proposed fixed and variable rates for the USL class:

Unmetered Scattered Load		Split	Fixed Rate	Rate per kWh
Current Split	13.82%	86.18%	$5.53	$0.0569
	15.00%	85.00%	$6.00	$0.0561
	20.00%	80.00%	$8.00	$0.0528
	25.00%	75.00%	$10.00	$0.0495
Proposed (Floor Amount)	27.98%	72.02%	$11.19	$0.0475
Ceiling Amount	66.96%	33.04%	$26.78	$0.0218

Board Staff Interrogatory #43

Ref: Electricity Distribution Retail Transmission Service Rates, Guideline G-2008-0001, October 22, 2008 and E4 / T2 / S10

Under the Board's Guideline, Westario is expected to file an update to its Cost of Service application with two years of data to support a change in its retail transmission service rates ("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.

Question

a. Please file a table showing monthly amounts over 2 years of Westario's wholesale Network and Connection costs, and for the same months its retail billings for Network and Connection service to its retail customers.

Response

Please see the following table.

Board Staff Interrogatory #43

2007 and 2006 Monthly Network and Connection Costs and Related Retail Billings

2007		Less 2006 Accrual	Jan	Feb	Mar	Apr	May	Jun
Billings for Network service	Revenue (CR)	-469,553.16	220,554.55	242,127.49	287,014.11	227,665.67	157,372.70	179,416.72
Wholesale Network costs	Expense (DR)		281,991.64	232,540.34	202,413.69	107,403.21	157,968.58	178,797.81
Difference			-61,437.09	9,587.15	84,600.42	120,262.46	-595.88	618.91
Billings for Connection service	Revenue (CR)	-484,221.95	229,688.93	252,976.66	299,397.48	236,348.47	164,187.55	186,406.80
Wholesale Connection costs	Expense (DR)		254,664.82	205,769.11	181,977.51	173,384.65	148,905.14	159,123.30
Difference			-24,975.89	47,207.55	117,419.97	62,963.82	15,282.41	27,283.50

2006			Jan	Feb	Mar	Apr	May	Jun
Billings for Network service	Revenue (CR)	-302,640.57	245,260.77	238,031.56	265,441.73	214,356.69	207,189.95	203,384.51
Wholesale Network costs	Expense (DR)		229,194.48	217,217.31	221,451.70	128,055.43	160,972.48	199,748.74
Difference			16,066.29	20,814.25	43,990.03	86,301.26	46,217.47	3,635.77
Billings for Connection service	Revenue (CR)	-260,928.54	212,090.61	205,715.83	229,795.93	185,133.28	179,104.33	175,215.44
Wholesale Connection costs	Expense (DR)		178,380.28	185,225.95	185,365.79	146,310.85	151,918.45	214,104.83
Difference			33,710.33	20,489.88	44,430.14	38,822.43	27,185.88	-38,889.39

Board Staff Interrogatory #43

1

2007	Jul	Aug	Sep	Oct	Nov	Dec
Billings for Network service	173,596.13	203,733.64	144,872.63	171,054.48	176,863.81	189,592.36
Wholesale Network costs	176,754.22	168,020.71	156,832.31	178,827.80	205,572.06	246,556.43
Difference	-3,158.09	35,712.93	-11,959.68	-7,773.32	-28,708.25	-56,964.07
Billings for Connection service	180,272.78	211,710.90	150,685.52	177,625.40	183,609.96	197,162.97
Wholesale Connection costs	159,772.52	152,910.32	145,360.34	163,618.04	183,371.10	150,814.91
Difference	20,500.26	58,800.58	5,325.18	14,007.36	238.86	46,348.06

2006	Jul	Aug	Sep	Oct	Nov	Dec
Billings for Network service	138,219.83	179,529.71	205,134.72	163,468.80	167,409.43	206,064.48
Wholesale Network costs	192,852.69	149,235.60	147,161.01	179,827.84	207,718.26	165,621.70
Difference	-54,632.86	30,294.11	57,973.71	-16,359.04	-40,308.83	40,442.78
Billings for Connection service	127,875.75	184,827.48	212,850.08	169,425.43	174,034.50	214,065.16
Wholesale Connection costs	165,303.31	139,881.65	140,578.88	165,017.55	185,365.89	142,504.45
Difference	-37,427.56	44,945.83	72,271.20	4,407.88	-11,331.39	71,560.71

2

3

Board Staff Interrogatory #43

1

2007	Add 2007 Accrual	RSVA Variance	Balancing RSVA Accounts	LTLT (Booked thru relevant P&L)	Per G/L
Billings for Network service	492,581.93	2,396,893.06	-213,847.57	48,811.95	2,231,857.44
Wholesale Network costs		2,293,678.80	-77,157.85	15,336.49	2,231,857.44
Difference		103,214.26	-136,689.72	33,475.46	0.00
Billings for Connection service	507,621.09	2,493,472.56	-444,140.00	41,477.83	2,090,810.39
Wholesale Connection costs		2,079,671.76		11,138.63	2,090,810.39
Difference		390,401.66	-444,140.00	30,339.20	0.00
2006					
Billings for Network service	469,553.16	2,600,404.77	-401,375.16		2,199,029.61
Wholesale Network costs		2,199,057.24	-27.63		2,199,029.61
Difference		401,347.53	-401,347.53		0.00
Billings for Connection service	484,221.95	2,493,427.23	-493,498.51		1,999,928.72
Wholesale Connection costs		1,999,957.88	-29.16		1,999,928.72
Difference		493,469.35	-493,469.35		0.00

2

Board Staff Interrogatory #43

Question

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

Response

As per the spreadsheet provided in part (a), the revenues for both Network and Connection rates exceed that of the expenses incurred by WPI. Because the spreadsheet attached is based on a 'cash' basis (i.e. there is no monthly adjustment for accrued expenses or unbilled revenues), there is no obvious anomaly that is causing the revenues to exceed the expenses.

The trend in this account is apparent in the accumulation of the corresponding deferral accounts, as significant credit balances have accumulated since the last regulatory asset recovery process in the 2006 EDR application.

Question

c. Projected amounts are presented for Accounts 4066 'Billed – NW' and 4068 'Billed – CN' in Exhibit 1 / Tab 3 / Schedule 4. Please confirm that Westario's projected wholesale cost (charged by Hydro One Distribution at embedded delivery points) is based on the interim rates charged by Hydro One to embedded distributors effective May 1, 2008. If not based on those rates, please explain what rates are used.

Response

Confirmed

Board Staff Interrogatory #43

Question

d. Per the Guideline, please file proposed RTSR rates for each customer class that would recover the wholesale projected costs referred to in part (c). Please provide the calculations used to derive the proposed RTSR rates.

Response

Westario Power Inc. proposes no change to the RTSR rates for 2009 as the current rates are sufficient to recover the additional costs associated with the Board's recent approval of an increase of 9.2% in the uniform transmission rates.

The following table calculates the approximate impact of the increase in RTSR rates, with no increase to 2009 rates:

Projected Accounts	Revenues	Expenses	Difference
Connection	$2,404,377	$2,308,535	$95,842
Network	$1,994,897	$2,339,188	($344,291)

The following RTSR rates are proposed for 2009:

	Connection		Network	
Residential	$0.0054	kWh	$0.0044	kWh
General Service Less Than 50 kW	$0.0048	kWh	$0.0040	kWh
General Service 50 to 4,999 kW	$1.9371	kW	$1.6425	kW
Unmetered Scattered Load	$0.0048	kWh	$0.0040	kWh
Sentinel Lighting	$1.5286	kW	$1.2450	kW
Street Lighting	$1.4973	kW	$1.2388	kW
Residential	$0.0054	kWh	$0.0044	kWh
General Service Less Than 50 kW	$0.0048	kWh	$0.0040	kWh

Board Staff Interrogatory #44

Ref: E5 / T1 / S3 / Attachment 1 (Table C7) and E5 / T1 / S4 / Attachment 1 (Table C6)

Westario is applying for disposition of balances of variance account 1550 and 1508, and provides the calculated rate riders in Table C7. It has also filed information on the balances in other deferral and variance accounts in Table C6.

Question

a. Please provide a continuity schedule for Westario's deferral and variance accounts using the Excel spreadsheet attached. (Please note that forecasting principal transactions beyond December 31, 2007 and the interest on those transactions in columns AM – AP is optional.)

Response

The requested continuity schedule will be filed at a later date.

Question

b. The spreadsheet provides a sub-total for the accounts: 1508, 1518, 1525, 1548, 1570, 1571, 1572, 1574, 1582, 1592, 1595, 2425. Please calculate an alternative set of rate riders that would dispose of the net balance of these accounts, and show the rate riders in a format similar to pp. 1-2 of Table C7. Please also provide details of how the individual balances would be allocated to customer classes, using allocators already calculated on pp. 3-4 of Table C7, or other allocators to be specified.

Response

Please see the attached table.

Board Staff Interrogatory #44

Question

c. Please provide a table and explanatory notes similar to part b., assuming that all deferral and variance accounts in Table C6 would be cleared.

Response

Please see the table provided in response to part b.

Westario Power Inc. (ED-2002-0515)

2009 EDR Application (EB-2008-0250)
August 15, 2008

C7 Rate Riders

Allocate recoveries of deferral / variance account balances

Deferral / Variance Account	Total Recovery Amount	Allocation Basis	Residential	General Service Less Than 50 kW	General Service 50 to 4,999 kW	General Service 50 to 4,999 kW - TOU
1508-Other Regulatory Assets	269,618	Distribution Revenue (proposed rates)	166,947	38,421	53,181	
1518-RCVARetail	(50,240)	Customers / Connections	(34,303)	(4,298)	(458)	
1548-RCVASTR	87,210	Customers / Connections	59,546	7,461	795	
1550-LV Variance Account	865,375	Transmission Connection Revenue	414,412	131,350	312,722	
1582-RSVAONE-TIME	38,040	kWh's	17,325	6,177	14,129	
Sub-Total for recovery	**1,210,003**		**623,927**	**179,110**	**380,368**	
1590-Recovery of Regulatory Asset Balances (residual)						
Total Recoveries Required (2 years)	**1,210,003**		**623,927**	**179,110**	**380,368**	
Annual Recovery Amounts	605,002		311,963	89,555	190,184	
Annual Volume			197,649,413	70,476,543	448,543	
Proposed Rate Rider per			**$0.0016** kWh	**$0.0013** kWh	**$0.4240** kW	kW

[1] *per sheet C6*

Westario Power Inc. (ED-2002-0515)

2009 EDR Application (EB-2008-0250)

August 15, 2008

C7 Rate Riders

Allocate recoveries of deferral / variance account balances

Deferral / Variance Account	Total Recovery Amount	Allocation Basis	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
1508-Other Regulatory Assets	269,618	Distribution Revenue (proposed rates)	941	18	10,111
1518-RCVARetail	(50,240)	Customers / Connections	(125)	(11)	(11,044)
1548-RCVASTR	87,210	Customers / Connections	218	19	19,172
1550-LV Variance Account	865,375	Transmission Connection Revenue	935	9	5,948
1582-RSVAONE-TIME	38,040	kWh's	44	1	363
Sub-Total for recovery	**1,210,003**		**2,012**	37	24,549
1590-Recovery of Regulatory Asset Balances (residual)					
Total Recoveries Required (2 years)	**1,210,003**		**2,012**	37	24,549
Annual Recovery Amounts	605,002		1,006	18	12,275
Annual Volume			501,647	17	11,037
Proposed Rate Rider per			**$0.0020** kWh	**$1.0830** kW	**$1.1121** kW

[1] *per sheet C6*

Westario Power Inc. (ED-2002-0515)

2009 EDR Application (EB-2008-0250)

August 15, 2008

C7 Rate Riders

Allocate recoveries of deferral / variance account balances

Allocators	Data Source	2009 Projection Total	Residential	General Service Less Than 50 kW	General Service 50 to 4,999 kW	General Service 50 to 4,999 kW - TOU
Customers / Connections	C1	27,644	18,875	2,365	252	
kWh's	C1	433,981,283	197,649,413	70,476,543	161,192,485	
Distribution Revenue (existing rates)	C4	8,126,204	5,031,902	1,158,373	1,719,309	
Distribution Revenue (proposed rates)	F4	9,265,283	5,737,063	1,320,303	1,827,527	
Transmission Connection Revenue	C2	2,404,377	1,151,411	364,944	868,873	
Approved Recoveries	C5	100.0%	75.5%	12.9%	11.0%	0.4%

Westario Power Inc. (ED-2002-0515)

2009 EDR Application (EB-2008-0250)

August 15, 2008

C7 Rate Riders

Allocate recoveries of deferral / variance account balances

Allocators	Data Source	2009 Projection Total	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
Customers / Connections	C1	27,644	69	6	6,077
kWh's	C1	433,981,283	501,647	16,635	4,144,560
Distribution Revenue (existing rates)	C4	8,126,204	26,368	216	190,036
Distribution Revenue (proposed rates)	F4	9,265,283	32,323	618	347,448
Transmission Connection Revenue	C2	2,404,377	2,598	26	16,526
Approved Recoveries	C5	100.0%	0.1%	0.0%	0.0%

Board Staff Interrogatory #45

Ref: E1 / T2 / S1 / p1 and E4 / T2 / S9 / p1

Question

A. Please clarify whether Westario is entirely embedded in the Hydro One distribution system, or alternatively whether it receives part of its requirements directly from transformer stations (i.e. bills issued by the IESO).

Response

Westario Power Inc. is fully embedded in the Hydro One distribution system.

Question

b. The approved loss factor for Hydro One to use for power delivered to embedded distributors is 1.034. The default Supply Facility Loss Factor for distributors that are not embedded is 1.0045. Please confirm that Westario is applying for a factor of 1.024 rather than 1.034. If confirmed, please provide an explanation of how the factor is calculated.

Response

Westario Power Inc. is applying for a Supply Loss Factor of 1.024. The factor was calculated based on an average of the actual supply loss as calculated by the difference between the measured and billed consumption for the four year period of 2004 to 2007.

Board Staff Interrogatory #46

Ref: E4 / T2 / S9 / Attachment 2

Please confirm that the amounts in row A of the table in the above reference are billed amounts without losses from Hydro One. Alternatively, please provide a description of the information that is found in row A.

Response

The amounts shown in row A are billed amounts including losses from the IESO. The amounts shown on row C are amounts without losses.