Board Staff Interrogatories

2009 Incentive Regulation Mechanism Rate Application

Halton Hills Hydro Inc.

EB-2008-0182

Smart Meter Funding Adder

Ref.: Manager's Summary, Page 8

1. Distributors requesting the standard $1.00 smart meter funding adder should include in their application the items identified on pages 9 and 10 of the Smart Metering Funding and Cost Recovery Guideline (G-2008-0002) issued on October 22, 2008.

   a) Please provide documentation that demonstrates that Halton Hills Hydro Inc. ("Halton Hills") is becoming authorized to deploy smart meters pursuant to O.Reg. 427/06 as amended on June 25, 2008 by O.Reg. 235/08. A copy of the "Attestation of the Fairness Commissioner" Halton Hills received on May 30, 2008, as referenced in the Manager's Summary, would be consistent with this filing requirement.

   b) Please provide a statement as to whether Halton Hills 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.

Revenue to Cost Ratios

Ref: Manager's Summary, Page 7

2. In the Board's Decision on Halton Hills' 2008 Cost of Service Rate Application, dated March 27, 2008, the Board stated:

   The Board notes Halton Hills' stated commitment to move the ratios to 100%. The Board therefore directs Halton Hills to file a proposal as part of its 2009 IRM application for how all classes will be moved to revenue to cost ratios of 100% within the term of the IRM plan.

   a) Please indicate whether Halton Hills maintains its commitment to moving the revenue to cost ratios for each rate class to 100% within the term of the IRM plan and, if so, how it plans to accomplish this.

Retail Transmission Service Rates ("RTSR")

Ref: Manager's Summary, Page 9

3. On October 22, 2008, the Board issued its Guideline on *Electricity Distribution Retail Transmission Service Rates* (G-2008-0001). Page 2 of these guidelines outline the Ontario Uniform Transmission Rates effective January 1, 2009, and page 4 states that “A distributor that has not yet filed its application for 2009 distribution rates is expected to include the RTSRs analysis and proposed adjustment in its application.” The answer to question 12 of the *2009 Electricity Distribution Rates Frequently Asked Questions for LDCs subject to 2nd and 3rd Generation Incentive Regulation* dated October 28, 2008 (the “IRM Q&As”) describes a methodology to calculate the RTSR adjustments that was used last year by some distributors.

   Halton Hills in its application stated the following:

   > *HHHI recognizes that the Board issued Model has a place holder for Transmission Network Rates and Transmission Connection Rates. Total impacts will need to be adjusted upon the determination of the Transmission Rates.*

   a) Please provide the Halton Hills’ proposed RTSR adjustments for the Network Service Rates and for the Line and Transformation Connection Service Rates.

   b) Please provide the supporting calculation for the proposed RTSR adjustments calculated in a).

Loss Factor

Ref: Manager’s Summary, Page 9

4. Halton Hills indicate that “HHHI is currently reviewing historical consumptions to determine if a change to the Loss Factor is necessary.” The answer to question 2 of the IRM Q&As indicate that an application to change a Distribution Loss Factor “is not part of the incentive regulation mechanism.”

   Please clarify whether Halton Hills intends to apply for a change to its distribution loss factor as part of the IRM process.

Rural or Remote Electricity Rate Protection (“RRRP”)

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

If Halton Hills has not done so, please file the required addition to the evidence as outlined in the December 17th letter.