



PUBLIC INTEREST ADVOCACY CENTRE
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January 13, 2009

VIA MAIL and E-MAIL

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

Dear Ms. Walli:

Re: Vulnerable Energy Consumers Coalition (VECC)
EB-2008-0225
Centre Wellington Hydro Ltd. – 2009 Electricity Distribution Rate
Application

Please find enclosed the supplemental interrogatories of VECC in the above noted proceeding.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

Centre Wellington Hydro Limited (CWHL)
2009 Electricity Rate Application
Board File No. EB-2008-0225

VECC's Interrogatories
(Round #2)

Question #34

Reference:

- i) VECC #23
- ii) CWHL IR Responses, Manager's Summary, page 1

- a) Please clarify the statement in the Manager's Summary regarding CWHL position as to the treatment of the following items and how they are factored into the Application's adjustments:
 - The inclusion of donations in the OM&A expenses for determining the Service Revenue Requirement
 - The inclusion of donations in the calculation of PILS for purposes of establishing the Service Revenue Requirement
 - The inclusion of Non-Utility Operations Revenues and Expenses in the determination of the Service Revenue Requirement and Base Distribution Revenue Requirement..
 - The inclusion of Non-Utility Operations Revenues and Expenses in the calculation of PILs to be included in the Service Revenue

Question #35

Reference:

- i) CWHL IR Responses, Manager's Summary, pages 2-3

- a) Please explain how changing the interest rate on deferral accounts impacts the PILS payable.
- b) Please explain how the change in RTSR increases the SRR by \$11,598 if the return on capital increases by \$10,528 and the PILs increase by \$1,430.

Question #36

Reference:

- i) OEB Staff IR #2 b & c)
- ii) CWHL IR Responses, Manager's Summary, page 3

- a) CWHL appears to be proposing a 38.5% increase in the residential retail charge for Transmission Network (i.e., \$0.0054 vs. \$0.0039 / kWh). Neither reference appears to show the derivation of the increased charges. Please provide.
- b) CWHL appears to be proposing a 27.4% decrease in the residential retail charge for Transmission Connection (i.e., \$0.0046 vs. \$0.0062 / kWh). Neither reference appears to show how the new rate was derived. Please provide.
- c) The original Application included a proposed Residential Retail Transmission Network Rate of \$0.0055 (per Exhibit 4/Tab 2/Schedule 11). The Rate Schedule in the Manager's Summary accompanying the interrogatory responses includes a value of \$0.0054. Please reconcile.

Question #37

Reference:

- i) OEB Staff #5 b)

- a) Please explain why it is necessary to increase the fixed portion of the fixed/variable split for the residential class and, in doing so, propose a monthly service charge of \$14.00 in order to comply with the Board's Report.
- b) Why would a 2009 residential service charge derived using the existing fixed/variable split not be in compliance with the Board's report?
- c) Please reconcile the \$12.96 residential service charge value reported in this response (and in VECC #3 a)) with the \$13.01 value reported in Table 4 of Exhibit 9/Tab 1/Schedule 1, page 3.

Question #38

Reference:

- i) OEB Staff #17

- a) Please indicate precisely what is involved with the following services:
 - Pulling Post-Dated Cheques
 - Credit reference/credit check

- b) How was it determined that \$15 was the appropriate charge for each of the five new services?

Question #39

Reference: i) OEB #27

- a) Please explain why the 2009 volumes weren't uplifted by the proposed 2009 loss factor.
- b) Based on the revised loss factors set out in OEB #13, what does CWHL now consider to be the appropriate loss factor to be for "uplifting" 2009 billed kWhs for purposes of establishing the cost of power?

Question #40

Reference: i) OEB Staff #41 d)

- a) Please explain why, when the revised kW for GS<50 increase, the revenues decrease.

Question #41

Reference: i) OEB #43

- a) Why is CWHL transferring \$2 M to Centre Wellington Energy Inc.? Is this a loan? If not, how will the transfer be reported on CWHL's balance sheet?

Question #42

Reference: i) OEB #52

- a) Please provide a revised budget for the 2009 Rate Application assuming there is no settlement conference or oral hearing.

Question #43

Reference: i) VECC #10 a)

- a) Please provide the volumes and rates used to determine the 2009 expense components for Accounts #4705, 4708, 4714, and 4716.

Question #44

Reference: i) VECC #11 b)

- a) Contrary to the response, the “rates” set out in the tables appear to include the LV adder (since LV charges are removed as a bottom line adjustment). Please indicate what the variable rates and revenues are by customer class – excluding the LV charges.

Question # 45

Reference: i) VECC #16 a) & b)

- a) Please provide a response to part (b) as originally posed and indicate what the prioritization process identified as the “high priority” activities/requirements for 2008 and 2009.

Question #46

Reference: i) VECC #22

- a) Please provide the rationale for the 1.42% uplift factor that is applied to the 2007 costs in order to obtain 2009 values.

Question #47

Reference: i) VECC #25

- a) Please explain what the values in Account 1550 represent and why they are a more reasonable allocator to use than say kWhs by class.
- b) What year’s distribution revenues and kWh distribution is used to allocate accounts 1584, 1586 and 1508?