

**TECHNICAL CONFERENCE QUESTIONS**

**From the**

**ELECTRICITY DISTRIBUTORS ASSOCIATION**

**Question to the OEB Staff Consultants**

- (1) Please provide the source(s) for the data used in arriving at the ratios used in Tables 1, 2, 6 & 8 of the report "Calculating the Cost of Capital for LDCs in Ontario." Please provide definition(s) of the ratios used in the tables, and cite any references employed to develop these definitions.

**Question to the OEB Staff**

- (2) On page 13 of the Staff Discussion Paper, issued July 25, 2006, it is stated that "While there are several dimensions of risk that vary across utilities, such as load concentration, total load, etc., staff finds that there is no reasonable way to differentiate them". Have Board staff completed any studies of the differences in risks across utilities in Ontario to support this finding? If so, please provide these studies or analyses.
- (3) On page 21 of the Staff Discussion Paper, issued July 25, 2006, it is stated "Staff has carried out some preliminary calculations on this proposed approach to calculating "K". Based on these calculations the 2007 K-factor could be between -2% and +2%, depending on the Board's determination of the 2007 ROE. The 2008 K-factor to adjust for capital structure change could be between -1% and -3%". Please provide the calculations that were used in arriving at the K-Factor for 2007 and 2008. Please cite any references used in developing these calculations, and provide any supporting documentation used.