

January 23, 2008

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

*Via Board's Web portal and by mail*

Dear Ms. Walli:

**Re: Board File No. EB-2008-0272 – Cost Awards  
Electricity Transmission Revenue Requirement Change – Hydro One Networks Inc.**

The Electricity Distributors Association (EDA) is the voice of Ontario's local distribution companies (LDCs). The EDA represents the interests of over 80 publicly and privately owned LDCs in Ontario.

The EDA, as the representative of the LDCs in Ontario and in the interests of distribution consumers sought to intervene in this proceeding. At the time of registering as an intervenor, the EDA did not anticipate filing for cost awards but stated that it reserved the right to request cost eligibility for its participation if additional resources become necessary at a later stage in the proceeding.

The EDA's Regulatory Council discussed the Hydro One application and found no particular issue of concern to distributors at that time as the application reflected no changes to the charge determinants.

However, on January 14, 2009, the Association of Major Power Consumers (AMPCO) submitted intervenor's evidence stating that Hydro One's rates are an impediment to efficient demand management and recommended an alternate proposal to establish customer's network charge determinant. If the new proposal put forward by AMPCO is to be implemented, customers of LDCs would be subjected to disadvantage.

The present proposal by AMPCO is similar to its past proposal in the previous Hydro One's 2007-2008 transmission rate application proceeding (EB-2006-0501).

In the previous proceeding, the EDA retained legal counsel to cross-examine the AMPCO witness panel and prepare a written submission for which the EDA was awarded costs by the Board. The EDA's argument focused on fundamental rate principles, particularly the principle of

fair treatment between customers. The OEB agreed with the position taken by the EDA that “Hydro One should continue to charge for its Network service using its current charge determinant.”

This time, AMPCO attempted to address the issue by retaining a consultant to prepare evidentiary support that demonstrates the responsiveness of industrial customers to electricity price signals.

The EDA submitted its interrogatories to AMPCO on January 21, 2009. The EDA believes that only direct customers would benefit from setting charge determinants (for transmission system use) based only on coincident peak demand.

With the proposed changes to the network charge determinant, the EDA now believes that there will be an impact on all distribution customers and intends to retain legal counsel to represent the EDA at the oral hearing. In this instance, the EDA submits that it would be eligible for cost awards in accordance with section 3.06 of the Board’s ‘Practice Direction on Cost Awards’.

The EDA requests that its eligibility for cost awards in this proceeding be confirmed.

Yours truly,

“original signed”

Richard Zebrowski  
Vice President, Policy and Corporate Affairs

cc: Mr. Glen MacDonald, Senior Advisor – Regulatory Affairs, Hydro One Networks Inc,  
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