



July 25, 2011

Ms. Kirsten Walli
Board Secretary
P.O. Box 2319
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Ms. Walli:

**Re: Horizon Utilities Corporation 2011 Electricity Rate Application
Comments on Horizon's Draft Rate Order
Board File No. EB-2010-0131**

AMPCO has reviewed Horizon's Draft Rate Order as well as the submissions of other Intervenors and Board Staff and makes the following submissions.

Foregone Revenue Rate Riders

Horizon has calculated class specific-rate riders (monthly service charge and volumetric) to recover the foregone incremental revenue for the period May 1 to July 31, 2011. In its Draft Rate Order, Page 36, Horizon indicates that it has considered bill impacts on its rate payers and submits that the riders are appropriate and do not create undo impacts. Horizon has calculated these riders on the basis of a recovery period of August 1, 2011 through December 31, 2011.

AMPCO notes, as did Board Staff, that in addition to an overall increase in the monthly service charge from \$11,151.32 to \$22,590.17, Large Users will be further impacted by a significant additional monthly service charge of \$7,244.61 for the Foregone Fixed Distribution Revenue Rate Rider and \$0.1915/kW for the Foregone Variable Distribution Revenue Rate Rider. AMPCO agrees with Board Staff that the impacts are not trivial and the bill impacts provided by Horizon in Appendix B of the Draft Rate Order do not take into account the proposed Foregone Distribution Revenue Rate Riders for the period from August 1 to December 31, 2011.

Further, AMPCO supports the submission of Board staff and also submits that it would be beneficial if Horizon provided example bill impacts including the application of the Foregone Distribution Revenue Rate Riders for some sample customer profiles including the Large User customer class.

Tariff of Rates and Charges (Appendix A) Compared to Customer Bill Impacts (Appendix B)

AMPCO observes that the rates for the Deferral and Variance accounts shown in the Draft Tariff of Rates and Charges for the Large User Class (Appendix A) differ from the (\$0.7950/kW) rate shown on the

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Customer Bill Impacts for the Large User class (Appendix B). As such, it is not clear to AMPCO how the (\$0.7950/kW) rate is derived. AMPCO also observes that the Low Voltage Service Rate of \$0.02492/kW shown in the Draft Tariff of Rates and Charges (Large User) is shown as \$0.01932 in the Customer Bill Impacts.

AMPCO agrees with Board Staff's recommendation that Horizon should confirm and make any necessary corrections to the proposed Tariff of Rates and Charges and/or the Customer Bill Impacts.

Overall Bill Impacts – Large User

AMPCO believes after some preliminary analysis that when the Bill Impact includes the Foregone Distribution Revenue Rate Riders, and the Deferral/Variance Account Rates and Low Voltage Service Rate shown on the Draft Tariff Sheet, the Total Bill Impact is over 10%. AMPCO submits that pending confirmation from Horizon, rate mitigation measures should be implemented for the Large User class, even for four to five months, if the Total Bill Impact is found to be greater than 10%.

AMPCO observes that the Rate Riders for Global-Adjustment Sub-Account Disposition have not been included in the Customer Bill Impacts for the Large User Class.

Please do not hesitate to contact me if you have any questions or require any further information.

Sincerely yours,

(ORIGINAL SIGNED BY)

Adam White
President
Association of Major Power Consumers in Ontario

Copy to: Horizon Utilities Corporation