



**COLLUS Power Corp**  
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March 25, 2009

Ontario Energy Board  
26th Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Attention: Kirsten Walli  
Board Secretary

**RE: COLLUS Power Corp – 2009 Cost of Service Rate Application**  
**Board File No. EB-2008-0226**

Dear Kirsten Walli:

COLLUS Power is providing a response as required within the Board's Procedural Order #6, dated March 13, 2009. The order stipulates that COLLUS Power is to provide written reply to the Board by March 27, 2009.

COLLUS Power submits this reply on this date to provide as early a response as possible to assist Board staff in their efforts to meet the proposed May 1, 2009 implementation date. COLLUS Power appreciates the efforts of Energy Probe to also provide their response to the original submission early on March 23, 2009.

We trust you will find everything in order with the submitted materials.

Respectfully Submitted,

Mr. T. E. Fryer CMA  
Chief Financial Officer  
COLLUS Power Corp

**IN THE MATTER OF** the Ontario Energy Board Act, 1998,  
S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by COLLUS  
Power Corp. for an order approving just and reasonable  
rates and other charges for electricity distribution to be  
effective May 1, 2009.

**PROCEDURAL ORDER No. 6**

**Final Submission to Responses**

**March 25, 2009**

COLLUS Power provided a detail response to PO # 6 as per the Board's requirement on March 18, 2009. The Board further required that Board staff and parties who wished to make submissions on the material filed respond by 4:45pm on March 25, 2009. The following is provided as COLLUS Power's reply submission that the Board is requesting.

COLLUS Power has reviewed the submission of March 18, 2009 and the responses of Energy Probe (issued on March 23, 2009) and Vulnerable Electricity Citizen Coalition (issued on March 25, 2009). COLLUS Power submits that the position provided in the March 18, 2009 submission is the appropriate basis to apply cost allocation adjustment in establishing rates for May 1, 2009.

COLLUS Power notes that in the EP and VECC submissions the suggestion is made that the proposed methodology to adjust General Service > 50 kW is not appropriate. COLLUS Power is proposing that GS > 50 kW be adjusted from the starting cost allocation model amount 35.8% (Schedule 4 of March 18/09 submission) by 50% of the difference to the 80% lower parameter of the Board approved guidelines. This moves the 2009 revenue to cost ratio up to 57.9% with an average impact of 3.52%.

EP and VECC maintain that the average impact of 3.52% is low enough to afford room, before rate mitigation might become an issue, to allow a greater adjustment. As identified in the detailed rate calculation worksheets provided as Appendix B though, the GS>50kW is a wide ranging rate class and although the average of 3.52% is roughly equivalent to the

impacts noted for the Residential and GS < 50 kW in some case customers could incur an impact of approximately 6%. Therefore any further increase could easily move some customers into a rate mitigation issue.

The previous Board decision to use the 50% level adjustment method for the material Street Light adjustment that all re-basing LDC's are encountering was one reason that COLLUS Power chose to propose it for the GS > 50kW rate class. A factor that also contributed to COLLUS Power proposing the same treatment is that after apply the adjustment the Residential class revenue to cost ratio then was reduced down to 113.4%. Therefore this placed the ratio into the acceptable parameters that the Board has established. Since the requirement is only to ensure that the classes move into the approved parameters, no further adjustment is required to meet that stipulation. If it had turned out to be the case that the Residential class result still was lying outside the parameters then a different decision about GS > 50 kW would have been made.

As noted then COLLUS Power deemed it most appropriate to use the Board approved method of adjustment for Street Lights as a basis to work from.

In closing then COLLUS Power submits that the methodology that is used to establish the results in Schedule 5 of the March 18/09 submission be accepted as presented.