



## THE BOARD OF DIRECTORS

*Chair, GAIL REGAN*

*President, Cara Holdings Ltd.*

*President, PATRICIA ADAMS*

*MAX ALLEN*

*Producer, IDEAS, CBC Radio*

*GEORGE CONNELL*

*President Emeritus, University of Toronto*

*ANDREW COYNE*

*Journalist*

*IAN GRAY*

*President, St. Lawrence Starch Co.*

*Secretary-Treasurer, ANNETTA TURNER*

*DAVID NOWLAN*

*Professor Emeritus, Economics, University of Toronto*

*CLIFFORD ORWIN*

*Professor of Political Science, University of Toronto*

*ANDREW ROMAN*

*Barrister & Solicitor, Miller Thomson*

*MARGARET WENTE*

*Columnist, Globe and Mail*

April 17, 2009

BY EMAIL & BY COURIER

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St, Suite 2701  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2008-0233**  
**Innisfil Hydro Distribution Systems Limited – 2009 Rates Rebasing Application**  
**2009 Draft Rate Order**

Pursuant to the Draft Rate Order filed by the Applicant on April 15, 2009, please find two hard copies of the Comments of Energy Probe Research Foundation (Energy Probe) for consideration by the Board. An electronic version of this communication will be forwarded in PDF format.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh  
Case Manager

cc: Laurie Ann Cooledge, Innisfil Hydro (By email)  
Randy Aiken, Aiken & Associates (By email)  
Interested Parties (By email)

**Energy Probe Research Foundation** 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

Phone: (416) 964-9223 Fax: (416) 964-8239 E-mail: [EnergyProbe@nextcity.com](mailto:EnergyProbe@nextcity.com) Internet: [www.EnergyProbe.org](http://www.EnergyProbe.org)

**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 **Innisfil  
Hydro Distribution Systems Limited** for an order  
approving just and reasonable rates and other charges for  
electricity distribution of electricity to be effective May 1,  
2009.

---

**ENERGY PROBE RESEARCH FOUNDATION  
("ENERGY PROBE")**

**COMMENTS ON DRAFT RATE ORDER**

**April 17, 2009**

---

**INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED  
2009 RATES**

**EB-2008-0233**

**COMMENTS ON DRAFT RATE ORDER**

Upon review of the draft rate order dated April 15, 2009, Energy Probe has found an error in the calculation related to the change in the CCA applicable to certain computer equipment and related system software (CCA class 50) acquired between January 27, 2009 and February 2011. This calculation is discussed and shown on page 13 of 26 of the draft rate order.

Innisfil had originally calculated a CCA deduction for the \$95,000 in capital expenditures in this category of \$26,125. This was based on a CCA rate of 55% and use of the half year rule ( $\$95,000 \times \frac{1}{2} \times 55\% = \$26,125$ ).

Innisfil has calculated an increase in the CCA deduction of \$21,375 to \$47,500. This calculation is based on changing the 55% CCA rate to 100% ( $\$95,000 \times \frac{1}{2} \times 100\% = \$47,500$ ). However, this calculation is not correct.

As the Board is aware, the January 2009 Federal Budget changed not only the CCA rate from 55% to 100%, but it also changed the  $\frac{1}{2}$  year rule. In particular, the budget eliminated the  $\frac{1}{2}$  year rule. In other words, businesses can fully deduct the cost of these computers and system software in 2009 (Energy Probe Research Foundation Argument dated February 6, 2009, page 15 of 31).

As a result, the CCA deduction is the full \$95,000 capital expenditure figure in this category. This increases the CCA deduction by \$47,500 over and above the incremental \$21,375 calculated in by Innisfil in the draft rate order. Based on a tax rate of 33%, this will reduce the taxes payable and the revenue requirement by \$15,675 ( $\$47,500 \times 33\%$ ) over and above that calculated by Innisfil.

**All of which is respectfully submitted**

**April 17, 2009**

**Randy Aiken**

**Consultant to Energy Probe**