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May 8, 2009

VIA MAIL and E-MAIL

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

Dear Ms. Walli:

**Re: Vulnerable Energy Consumers Coalition (VECC) Comments
Northern Ontario Wires Inc. – 2009 Draft Rate Order
Board File: EB-2008-0238**

As counsel for the Vulnerable Energy Consumers Coalition's (VECC) I am writing to provide comments regarding Northern Ontario Wires' Draft Rate Order circulated May 6th, 2009.

VECC's first comment is that, contrary to the Board's direction (page 33), Northern Ontario Wires has not provided any supporting calculations showing the determination of the revised "cost of power" to be used in the working capital component of rate base. VECC notes that this value will be impacted by the Board's decisions regarding the 2009 load forecast, revised commodity rates, revised LV costs and updated retail transmission charges. It is VECC's view that, at a minimum, Board Staff should work with the Applicant to confirm the value used is appropriate.

VECC second comment is that Northern Ontario Wires' treatment of LV costs does not follow the Board's decision in a couple of areas. First, in determining the LV costs to be recovered from customers, Northern Ontario Wires has included the full impact of Hydro One Networks Rider #4 – as opposed to only half the impact as directed on page 23 of the Board's Decision. Second, the LV costs are being recovered through a separate rate rider as opposed a "rate adder" to the distribution rates. While a departure from the Board's Decision, VECC notes that this treatment would allow Northern Ontario Wires to

discontinue the “rate rider” after two years when Hydro One’s rate rider is terminated. This would permit Northern Ontario Wires’ LV charges to its customers to more closely match the timing and level of the charges it faces from Hydro One Networks. As a result, VECC sees merit in this alternate approach.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC

cc: Ms. Monica Malherbe
Northern Ontario Wires Inc.