



PUBLIC INTEREST ADVOCACY CENTRE
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VIA MAIL and E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
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Dear Ms. Walli:

Re: Vulnerable Energy Consumers Coalition (VECC) Comments
Lakeland Power Distribution Ltd. – 2009 Draft Rate Order
Board File: EB-2008-0234

As counsel for the Vulnerable Energy Consumers Coalition (VECC), I am writing to provide comments regarding Lakeland Power's Draft Rate Order received on May 27th, 2009.

Revenue to Cost Ratios

On page 12 of the Draft Rate Order Lakeland Power sets out the allocation of the Total Service Revenue Requirement and Miscellaneous Charges from its 2006 EDR that are the basis for developing its 2009 allocation of costs to customer classes. In both cases the values provided by customer class do not match those in the Cost Allocation run provide in response to VECC Supplementary IR #6 – which the Board directed (Decision, page 29) Lakeland to use as the starting point. VECC also notes that correcting the Cost Allocation run's results such that the total Revenues equal the total Revenue Requirement (as discussed in VECC's Final Argument – page 16) does produce the values used in the Draft Rate Order. Lakeland should explain this discrepancy and revise the Draft Rate Order as required.

Rate Design

Contrary to the Board's direction (pages 32-33), Lakeland Power has not provided any supporting calculations for the base distribution rates or the derivation of the LV rate adder, based on the updated LV costs. As result, VECC is unable to readily determine whether or not Lakeland has followed the Board's directions with respect to Rate Design. Also, VECC has not been able to determine whether proposed rates set out in the Draft Rate Order reconcile with the approved revenue requirement.

At a minimum, Board Staff should work closely with Lakeland Power to address these issues.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC

cc: Ms. Margaret Maw
Lakeland Power Distribution Ltd.