



COLLUS Power Corp
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May 29, 2009

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

Dear Ms. Walli:

Re: COLLUS Power Corp
2009 Distribution Rate Application
Board File No. EB-2009-0130

COLLUS Power Corp "COLLUS" has received a copy of the Board's letter sent to Counsel for VECC on May 21/09. A copy of the Board's letter is attached for reference. COLLUS provides the following comments in response and respectfully requests that further direction be provided to us on how the Board wants us to proceed.

COLLUS continues to maintain its position regarding the matter originally outlined to the Board in our April 29, 2009 correspondence. A copy of that document is also provided as an attachment.

COLLUS confirms the request of the Board to create a variance account to record the potential revenue affected, but we are uncertain as to what the impact calculation should be. We assume that one component of the difference to be tracked in the account will be the revenues based on the Board approved debt rate. There is no reference though, to the different debt rate that would form the basis for the differential to be tracked in the Board's notice as to the interest rate that could eventually be set. We would appreciate it if the Board could provide guidance in this regard.

If the Board wishes COLLUS to estimate a potential interest rate then there is also confusion trying to complete this task. We support the Board Panel's determination on Page 21 (1st Paragraph) of the Decision and Order dated April 17/09 that non-issued debt means there is not a known rate to utilize so the current Board approved deemed rate is applicable. Therefore there is not a variance that requires tracking. Additionally as noted in our previously submitted data COLLUS is not issuing any debt therefore the only existing debt rate is the promissory note that is with the Town of Collingwood.

We are not only seeking guidance as to the interest rate that should be used but we also want to note that COLLUS is very concerned about the costs that have been and could be incurred in regards to this matter. When the Board panel found that COLLUS' proposed cost recovery amount of \$160,000 for 2009 Rate Rebasing Costs was excessive, the motion by VECC had not yet been filed. The methodology used by the Board Panel to establish the Regulatory Cost Recovery for COLLUS was a comparison to costs incurred by similar sized re-based filers. As such we were originally prepared to accept the outcome.

Now this new motion has been put forward and the Board is issuing notice to COLLUS that an oral hearing will be held on the question of whether the decisions should be reviewed. At the very least this will involve additional costs (ours, the Board's and the intervenors') related to the preparation of responding material (even though it is limited to the threshold question at this time) and the preparation for and attendance at the oral hearing. There will be further costs (again ours, Board's and intervenors') if the Board decides to review the decisions. We therefore respectfully request that there be reconsideration of the previous decision to reduce our estimated cost. COLLUS already had encountered an above average number of procedural orders during the process leading up to the issuing of the Final Rate Order and for that reason alone the original estimate should not have been reduced. Now with the addition of this oral hearing component of the VECC motion, a new process must be put in place to cover the additional costs.

If the Board is not prepared, at this time, to increase the costs that COLLUS is allowed to recover in respect to its 2009 application process, COLLUS hereby respectfully requests a variance account to track the costs associated with this matter. Then the Board can consider disposition of the variance in the normal manner as part of the rate making process.

In closing then COLLUS would appreciate receiving guidance from the Board on the requests made within.

If you have any further questions, please do not hesitate to contact me.

Sincerely,

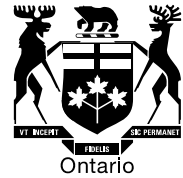


Mr. T. E. Fryer CMA
Chief Financial Officer
COLLUS Power Corp

cc: Innisfil Hydro Distribution Systems Limited
cc: All registered intervening parties in both of the proceedings

**Ontario Energy
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BY E-MAIL

May 21, 2009

Michael Buonaguro
Counsel for VECC
Public Interest Advocacy Centre
One Nicholas Street
Suite 1204
Ottawa, ON K1N 7B7

Dear Mr. Buonaguro:

**Re: Innisfil Hydro Distribution Systems Limited
Application for 2009 Electricity Distribution Rates
Board File Number EB-2008-0233**

**Collus Power Corp.
Application for 2009 Electricity Distribution Rates
Board File Number EB-2008-0226**

This will acknowledge receipt on April 24, 2009 of VECC's Notice of Motion requesting that the Board Review and Vary of the Board's Decision dated April 6, 2009 in the matter of an application for 2009 electricity distribution rates by Innisfil Hydro Distribution Systems Limited (EB-2008-0233).

This will also acknowledge receipt on April 28, 2009 of VECC's Notice of Motion requesting that the Board Review and Vary of the Board's Decision dated April 17, 2009 in the matter of an application for 2009 electricity distribution rates by Collus Power Corp. (EB-2008-0226).

The Board has assigned File Number EB-2009-0130 to these matters.

Please refer to this file number in all future correspondence to the Board regarding this matter. All information related to this matter must be filed with the Board Secretary.

The Board has determined that it will hold an oral hearing to consider the threshold question as to whether each of these matters should be reviewed. A Notice and Procedural Order will be issued in due course.

The Board will not make provision for a stay of either of these decisions. However, the Board grants VECC's request that the revenue requirement impact of the two motions be tracked through a variance account to be established by both Innisfil and Collus. These impacts should be tracked in a sub account of Account 2425 "Other Deferred Credits" to be referenced as "Interest Rate Differential – VECC Appeal."

The Board will consider the disposition of each of the variance accounts in the normal manner as part of the rate setting process. The establishment of the variance accounts should not be construed in any manner or degree as predictive of the Board's authorization to dispose of the amounts so tracked in a future proceeding.

Please direct any questions relating to this application to Martin Davies, Project Advisor at 416-440-8107 or MartinDavies@oeb.gov.on.ca.

Yours truly,

Original signed by

John Pickernell
Assistant Board Secretary

cc: Innisfil, Collus and all registered parties in both proceedings
James C. Sidlofsky, Partner - Borden Ladner Gervais LLP



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April 29, 2009

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

Dear Ms. Walli:

Re: COLLUS Power Corp
2009 Distribution Rate Application
Board File No. EB-2008-0226
VECC's Notice of Motion to Review dated April 28, 2009

COLLUS Power Corp "COLLUS" is submitting this letter to register objection to VECC's Notice of Motion for Review dated April 28, 2009, provided through their legal counsel. We have already provided to the Board a written submission supporting Innisfil Hydro Distribution System Inc. "Innisfil" objection to the VECC Notice of Motion for Review dated April 24, 2009. COLLUS is trying to keep costs down as much as possible during this process and isn't using legal counsel to register its' objection, but rather provide this informal filing.

COLLUS confirms its support for Innisfil's objection and the content of their submission in that regard. We will not go into a lengthy review of the points raised nor the argument put forward by the VECC motion regarding COLLUS.

We can provide the update that is requested by VECC as to the current status of borrowing from Infrastructure Ontario though. There has not been any borrowing undertaken and there will not be any required. The COLLUS Board is aware of the Ministry of Energy and Environment's Green Energy Act and the potential debt implications of the planned Smart Grid Initiative. Therefore it is keeping 3rd party borrowing at \$0 until further information is provided and a thorough understanding of the requirements is in place.

In closing COLLUS submits that the Board should not allow this Motion to proceed.

If you have any further questions, please do not hesitate to contact me.

Sincerely,

"TOGETHER WE HELP OUR TOWN"

A handwritten signature in black ink, appearing to be 'T. E. Fryer', with a long horizontal flourish extending to the right.

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