



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. <http://www.piac.ca>

Michael Buonaguro
Counsel for VECC
(416) 767-1666

June 9, 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
Midland Power Utility Corporation – 2009 Draft Rate Order
Board File: EB-2008-0236**

As counsel for the Vulnerable Energy Consumers Coalition (VECC), I am writing to provide comments regarding Midland Power's Draft Rate Order.

Base Distribution Revenue Requirement

VECC has no concerns with Midland Power's determination of the Base Distribution Revenue Requirement.

Foregone Revenue Rate Rider

VECC notes that the proposed rate rider will be in effect for only two months (i.e., July 1st to August 31st). VECC submits it would more appropriate if the foregone revenue was recovered over the remaining 10 months of the Test Year. The bill impact customers will see on July 1st would be less and there would be a greater degree of rate stability over the test year.

Revenue to Cost Ratios

Contrary to the Board's direction (page 21), Midland Power has not provided any supporting calculations that set out the 2009 allocation of the base distribution revenue

requirement to customer classes using the ratios from VECC IR #6 a) as the starting point and implementing the Board's approved ratios by class. As a result, VECC is unable to readily determine whether or not Midland Power followed the Board's directions.

Rate Design

Similarly, Midland Power has not provided any schedules detailing the derivation of the base distribution rates, including the derivation of the LV rate adder based on the updated LV costs. As result, VECC is unable to readily determine whether or not the proposed rates set out in the Draft Rate Order reconcile with the approved revenue requirement.

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

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC

cc: Mr. Phil Marley
Midland Power Utility Corporation.