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June 15, 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)
Procedural Order No. 5: EB-2008-0230
Greater Sudbury Hydro Inc. – 2009 Electricity Distribution Rate Application

As requested in Procedural Order No. 5 of the above noted proceeding, I am writing to provide the comments of the Vulnerable Energy Consumers Coalition regarding the need for, and scope of, an oral hearing.

We have reviewed the material provided by GSHI in the proceeding, including responses to the second round of interrogatories, and the Technical Conference Transcript and Undertakings and have concluded that the evidence is sufficiently complete on some issues so that there is no need (from VECC's perspective) for cross examination prior to parties filing their final submissions. However there are a number of key issues that materially affect the 2009 Revenue Requirement and Rates that require more discovery via cross-examination.

We have annotated the (revised) Issues List Appendix A to reflect our preferences:

1. No Issue
2. Argument Only
3. Oral Cross Examination and Argument
4. Issue related to others

As directed in the Procedural Order, VECC has not provided any details regarding the substance of the issues flagged for cross examination or submissions. If there are any questions about our preferences please direct them to the undersigned.

Yours truly,

Michael Buonaguro
Counsel for VECC

cc: Mr. S. Pawlowicz Greater Sudbury Hydro Inc.

Appendix A

Greater Sudbury Hydro Inc. 2009 Distribution Rates Application EB-2008-0230

Issues List

ISSUE	VECC PREFERENCE
1. ADMINISTRATION (Exhibit 1)	
1.1 Has GREATER SUDBURY responded appropriately to all relevant Board directions and settlement agreements from previous proceedings?	No Issue
1.2 Has GREATER SUDBURY complied with the Board's Filing Guidelines?	Argument Only
2. RATE BASE (Exhibit 2)	
2.1 Are the amounts proposed for Rate Base appropriate?	Related to CAPEX (#2.2)
2.2 Are the amounts proposed for 2009 Capital Expenditures appropriate?	Cross Examination and Argument
2.3 Has the Working Capital Allowance been determined appropriately?	Related to OM&A (#4.1)
2.4 Does the asset condition information adequately address the condition of the distribution system assets and support the planning and budgeting for OMA and Capital expenditures for 2009?	Argument Only
2.5 Is GREATER SUDBURY's overhead Capitalization Policy appropriate?	Argument Only
3. REVENUE REQUIREMENT (Exhibit 3)	
3.1 Is the calculation of the proposed revenue requirement for 2009 appropriate?	Related to OM&A, CAPEX, Amortization and Cost of Capital (#2.1, #4.1, #4.5, #4.6, #4.7 and #6)
3.2 Is the proposed amount for 2009 Other Revenues, including Corporate and Shared Services appropriate? Is the methodology used to cost and price these services appropriate?	Cross Examination and Argument
3.3 Are the proposed Specific Service Charges for 2009 appropriate?	Argument Only
3.4 Are GREATER SUDBURY's Economic and Business Planning Assumptions for 2009 appropriate?	Argument Only
3.5 Is the load forecast and methodology appropriate including the weather normalization methodology and the impact of CDM initiatives?	Cross and Argument
3.6 Is the Revenue Deficiency calculation for the test year	Related to Components of

appropriate? (Exhibit 7)	Revenue Requirement (#3.1)
4. COST OF SERVICE (Exhibit 4) 4.1 Are the overall levels of the 2009 Operation, Maintenance and Administration budgets appropriate? 4.2 Are the proposed Purchased Services and Shared Services appropriate? 4.3 Are the methodologies used to allocate Corporate and Shared Services appropriate? Are the Affiliate Service Agreements appropriate? 4.4 Are the 2009 Human Resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate? 4.5 Is GREATER SUDBURY's depreciation expense appropriate? 4.6 Are the amounts proposed for 2009 capital and property taxes appropriate? 4.7 Is the amount proposed for 2009 Payments in Lieu of Taxes, including the methodology, appropriate?	Cross Examination and Argument Cross Examination and Argument Cross Examination and Argument Cross Examination and Argument Related to Ratebase (#2.1) Argument Only Related to Revenue Requirement -
5. Deferral and Variance Accounts (Exhibit 5) 5.1 Is the proposal for the amounts, disposition and continuance of GREATER SUDBURY's existing Deferral and Variance Accounts (Regulatory Assets) appropriate? 5.2 Is the proposal to create a new Deferral Account for the enhanced capital program carrying charges appropriate?	Argument Only Argument Only
6. COST OF CAPITAL/DEBT (Exhibit 6) 6.1 Is the proposed Capital Structure and Rate of Return on Equity for GREATER SUDBURY's distribution business appropriate? 6.2 Are GREATER SUDBURY's proposed costs and mix for its short and long-term debt for the 2009 test year appropriate?	Cross Examination and Argument Cross Examination and Argument
7. COST ALLOCATION AND RATE DESIGN (Exhibit 8) 7.1 Is GREATER SUDBURY's cost allocation appropriate? 7.2 Are the proposed revenue to cost ratios appropriate?	Argument Only Argument Only
8. RATE DESIGN (Exhibit 9) 8.1 Are customer charges and the fixed-variable splits for	Cross and Argument

<p>each class appropriate?</p> <p>8.2 Are GREATER SUDBURY's proposed rates appropriate including the rate harmonization plan for West Nipissing customers?</p> <p>8.3 Are the customer bill impacts appropriate?</p> <p>8.4 Is the proposed rate impact mitigation plan reasonable?</p> <p>8.5 Are the proposed Retail Transmission Service Rates and LV Rates appropriate?</p> <p>8.6 Are the proposed Loss Factors appropriate? (Exhibit 4)</p> <p>8.7 Are the proposed Regulatory Asset (Deferral and Variance Account) rate riders appropriate? (Exhibit 5)</p> <p>8.8 Is the Smart Meter rate adder change appropriate? (Exhibit 2)</p>	<p>Cross and Argument</p> <p>Cross and Argument</p> <p>Cross and Argument</p> <p>Argument Only</p> <p>Argument Only</p> <p>Argument Only</p> <p>Argument Only</p>
<p>9. OTHER ISSUES</p> <p>9.1 Is the LRAM and SSM Proposal appropriate? (Exhibit 9)</p> <p>9.2 Is service quality in relation to the OEB specified performance indicators acceptable?</p>	<p>Argument Only</p> <p>Argument Only</p>