



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
(416) 767-1666

June 17, 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
Hydro One Networks 2009-2010 Draft Electricity Transmission Revenue
Requirements Order
Board File: EB-2008-0272**

As counsel for the Vulnerable Energy Consumers Coalition (VECC), I am writing to provide comments regarding the Exhibit filed by Hydro One Networks on June 11, 2009 setting out the final transmission revenue requirements for 2009 and 2010 in accordance with the Board's Decision. VECC's only comment is with respect to how Hydro One Networks has incorporated the refund of the \$18.3 M Deferral/Variance account balance in its revenue requirement for 2009 and 2010.

On page 56 of its Decision the OEB approved the disposition of the \$18.3 M over an 18-month period starting July 1, 2009. In Exhibit 1.8 Hydro One Networks shows the split of the refund between 2009 (\$6.1 M) and 2010 (\$12.2 M), consistent with the Board's direction. For 2009, the \$6.1 M is used to reduce the Revenue Requirement for the full year- as shown in Exhibit 2.0. VECC's concern is that the revenue requirement and resulting uniform transmission rates are calculated on an annualized basis. However, based on a July 1, 2009 implementation date, the new uniform transmission rates will only be in effect for 6 month rates. The result is that transmission customers in 2009 will only be refunded half of the \$6.2 M.

VECC submits that In order for the \$6.2 M to be returned to customers over the July 1, 2009 to December 31, 2009 period the annual revenue requirement for 2009 should be reduced by \$12.2 M.

Thank you for the opportunity to comment.

Yours truly,

Michael Buonaguro

cc: Mr. Glen Macdonald
Hydro One Networks Inc.