



June 30, 2009

Ms. Kirsten Walli Board Secretary Ontario Energy Board PO Box 2319 2300 Yonge St, 27<sup>th</sup> Floor Toronto ON M4P 1E4

Dear Ms. Walli:

## Re: Proposed Amendments to the Distribution Code EB-2009-0077

Chatham-Kent Hydro and Middlesex Power Distribution Corporation ("CK-MP)" are pleased to be given the opportunity to provide comments on the Ontario Energy Board's ("Board") proposed amendments to the distribution system code ("DSC") file number EB-2009-0077.

CK-MP is very supportive of the Board and the initiatives coming out of the Green Energy and Economy Act ("GEEA"). The proposed amendments to the DSC are reasonable and CK-MP have only two comments to provide.

## **Expansions**

CK-MP would like some clarification in the type of activities that are included in expansions. In the first paragraph of A2 Expansions an example is "by increasing the length of the distribution system". However in the list of projects that are considered expansions all four examples are rebuild or conversions, there is no mention of building new lines. Therefore CK-MP would recommend that another example should be added to the list;

"increases in the length of the distribution system that would be shared with other distribution users"

## Cap amount that generators contribute to expansions

CK-MP agree with the concept that many expansions that are driven by reneweable generators do enhance the distribution system and therefore there is benefit to the distribution customers. Since these customers do benefit they should pay for that benefit.

CK-MP however believes that the cap may be too high. In the past few years CK-MP had built a new line for load customers that would be very similar to what would be built for a generator. A summary of the line was:





 Length
 5 km

 Capacity
 10 MW

 Total Cost
 \$750,000

 Cost per km
 \$150,000

 Cost per MW
 \$75,000

The cost per km and MW is lower in CK-MP service territory than the ranges being provided on page 6 of the DSC amendment paper. Therefore CK-MP would recommend that the cap be set at \$75,000 per MW.

## **Summary**

CK-MP is very supportive of the GEEA and the Board's initiatives. We will lead in promoting renewable generation in our service territory to meet the objectives of the Minister of Energy.

If you have any questions or concerns, please call me.

Yours truly,

Cheryl Decaire

Co-ordinator of Regulatory and Rates

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CC: Mr. Dave Kenney, President Chatham-Kent Hydro

Mr. Jim Hogan, President and CEO Chatham-Kent Energy