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**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**  
**West Coast Huron Energy Inc. – 2009 Draft Rate Order**  
**Board File: EB-2008-0248**

As counsel for the Vulnerable Energy Consumers Coalition (VECC), I am writing to provide comments regarding West Coast Huron Energy Inc's (WCHE) Draft Rate Order.

**Base Distribution Revenue Requirement - Amortization**

VECC questions the amortization rate used to determine the increase in depreciation due to the added \$12,337 in capital spending for the bucket truck. In the Revenue Requirement Work Form an adjustment of \$1,542 is shown for the 2009 Depreciation/Amortization. Assuming the use of the ½ year rule this translates into an annual amortization of \$3,084 which suggests a 4 year service life was used. However, the Board directed amortization rates for trucks is either 5 or 8 years depending upon size. Based on the description filed in the original Application (Exhibit 2/Tab 3/Schedule 2, page 1), it appears to VECC that the eight year service life is applicable.

### Base Distribution Revenue Requirement - PILs

VECC notes that the determination of taxable income has not been adjusted to account for either the change in depreciation or CCA for 2009 as result of the increased capital spending for the bucket truck.

VECC also notes that WCE has used a federal income tax rate of 19% as opposed to the 12.8% in the original Application. Given the size of WCHE's rate base (i.e., only \$5.1 M) and its level of taxable income (less than \$500,00), VECC questions the change in the federal income tax rate used and whether WCHE doesn't qualify for the lower Federal Small Business Income Tax Rate of 11% consistent with the January 2009 Federal Budget.

### Revenue to Cost Ratios

On page 26 of the Draft Rate Order (i.e., the annotated Decision) WCHE sets out the derivation of the 2009 revenue requirement allocation to customer classes – using the 2007 CA results as the starting point. VECC notes that for the GS 50-499; GS 500-4999 and Large Use classes the 2006 Total Revenues do not match those reported in response to VECC Supplementary IR #9 - as revised on February 27, 2009. Instead, WCHE appears to have used the results from the response to VECC Supplementary IR #9, prior to the correction. VECC notes that the revenue to cost ratios reported in the Board's Decision (page 24) are consistent with the revised IR response, suggesting this is the response the Board directed WCHE to use as the starting point.

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC

cc: Ms. Judy Kay  
West Coast Huron Energy Inc.