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ONTARIO ENERGY BOARD

The Corporation of the  
Township of Ear Falls

P.O. Box 309  
Ear Falls, ON POV 1T0

From the Office of the Mayor

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August 26, 2009

EB-2009-0096

9/21/09  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON  
M4P 1E4  
Attention: Board Secretary  
Fax: (416) 440-7656

EB-2009-0096

OEB BOARD SECRETARY	
File No:	Sub File: 4
Panel	PN/CC/PS
Licensor	HT
Other	MM
00/04	

To Chair and CEO Howard Wetston,

This letter is in response to the Notice of Application and Hearing for an Electricity Distribution Rate Change for Hydro One Networks Inc. that was made on August 4<sup>th</sup>, 2009.

The Township of Ear Falls is located at the junction of three rivers on the edge of Lac Seul and is home to the Obishikokaang Waasiganikewigamig / Lac Seul Generating Station, operated by Ontario Power Generation (OPG) which produces 29.3 MW.

Council consistently hears concerns about the cost of energy and delivery charges from residents and businesses in the community, primarily due to the close physical location of the Generating Station. I, on behalf of Council and the community, am concerned with the proposed increases to delivery charges as these charges have a significant impact on the Township's ability to attract and retain businesses and investors and retain residents.

Attracting investment and business to the Township of Ear Falls is a challenging goal for Council. We have worked hard to make the community a viable place for business including advertising the many assets that the community has to offer such as clean energy, clean water, strong labour force, industrial capacity, serviced residential lots, recreation opportunities and primary medical services. Ear Falls is positioned opportunistically for future economic growth; however a common concern is the high costs associated with electricity and delivery.

The Township of Ear Falls' largest employer is the Domtar Sawmill which employs approximately 150 people. On August 18<sup>th</sup>, 2009, Domtar announced the indefinite closure of the Sawmill, which will put these employees out of work. I understand that it is not the cost of electricity delivery that has caused this closure, however the cost for energy and delivery play a huge role in the cost of operations and therefore is a factor in the volatility of the forestry sector. This is a reason why Council is submitting comments to the Board in opposition to this application.

In addition to making investor attraction difficult, the cost of electricity and delivery has a significant impact on residential customers within Ear Falls. The proposed increase of 9.5% to 13.3% over the next two years is drastic given the current economic situation, not only in Ear Falls, but province-wide. For many local residents, delivery charges are higher than the cost for electricity used.

The Ontario Energy Board's (OEB) focus is protecting the interests of consumers by regulating pragmatically the electricity industries, ensuring that energy rates are fair, reasonable and timely, and considering the interests of all stakeholders in performing duties in the public interest. For these reasons, it is crucial that the OEB consider the current economic situation in the province and recognize that residents and businesses cannot afford the proposed increases on delivery charges.

In closing, I should note, that the Notice advertisement was only made public in our community on August 19<sup>th</sup>, 2009 through the Northern Sun News. Although the Township is not interested in becoming an Intervener or Observer in the Hearing, members of our community were not even given the opportunity to participate in this manner.

If additional information is required or you have any questions please do not hesitate to contact Clerk Treasurer Administrator Kimberly Ballance at (807) 222-3624 ext. 27.

Yours truly,

THE TOWNSHIP OF EAR FALLS



Ron Bergman Sr.  
Mayor

RB/ds