

Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto Ontario M4P 1E4

Attn: Kirsten Walli, Board Secretary

September 3, 2009

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Re: EB-2009-0096 – Application for rate change Hydro One Networks Inc.
As published in The Kingston Whig Standard August 17, 2009.

To the Members of The Board

I wish to make comment on the above application for rate increases by Hydro One Networks Inc. for the years 2010 and 2011 based on the Cost of Service Review.

Hydro One Networks Inc. (HONI) states that if the application is approved, an average customer, using 1000 KW/h per month, would have their rates for electricity delivery increase 9.5% in 2010 and 13.3% in 2011.

The yearly delivery cost for HONI today is \$851.77 based on 1000 KW/h per month usage without GST. This is \$348.85 higher than Toronto Hydro-Electric System Ltd. (THESL) or 69.4% higher than THESL. It is also \$492.67 higher than Kingston Electricity Distribution Ltd.(KEDL)

According to OEB published information, HONI represents 25% of all Ontario Electricity customers and THESL represents 15%. Both have different but comparable service areas.

In May 2009, OEB Decision EB-2008-0187 states "...distribution is only a component of the total bill and not the largest component." (page 6 of the decision) This assumption is wrong in the case of HONI distribution rates. For an average consumer, distribution costs for 1000KW/h is the highest component of the bill being a full 7.1% higher than the cost of electricity at today's rates.

A difference of 69.4% higher costs for HONI over THESL and 137% higher than KEDL is a strong, strong indication of out-of-control distribution costs. Adding a further 22.8% in the coming two years would increase HONI delivery charges to \$1045.97 or a further \$194.20 year.

This is totally unacceptable and rationally wrong for the Province of Ontario.

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I am retired and our family income will not increase 22.8% over the next 2 years. I would expect that no other income earner working or retired will see that order of increase. Most income earners are actually going to get less income due to the present economy.

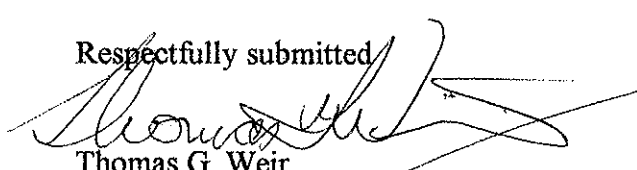
We are pricing the total cost of electricity to levels which will be the highest in North America. Ontario's manufacturing advantage with electricity is rapidly decreasing. These increases will negate any advantage and with that the departure of the manufacturing and commercial companies dependant on that advantage.

May I also remind The Board that an increase of 8% in provincial sales taxes is scheduled for July 1, 2010. This will increase electricity distribution costs for HONI to \$1181.95 including both sales taxes, or a full \$287.59 higher than today.

This is an increase of 32.2% higher or just under a full 1/3 increase in cost of delivery to the average HONI customer.

An increase of this magnitude is not in the realm of responsible governance both within HONI and without and is absolutely and totally wrong and unacceptable to the Province of Ontario.

Respectfully submitted



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