



Energizing Our Community

Telephone: (705) 326-7315
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February 16, 2010

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

Dear Ms. Walli:

**Re: Orillia Power Distribution Corporation - Board File No: EB-2009-0273
2010 Electricity Distribution Rate Application**

With regard to the above-noted proceeding, please find Orillia Power's replies to Letters of Comment sent to the Board Secretary.

Respectfully,

John F. Mattinson P. Eng.
President & Secretary
Orillia Power Distribution Corporation



February 12, 2010

Mr. Frank Kehoe
649 Driftwood Rd.,
Orillia, ON
L3V 1C9

Dear Mr. Kehoe:

Re: 2010 Cost of Service Rate Application ... EB-2009-0273

I am writing to acknowledge that Orillia Power Distribution Corporation ("Orillia Power") has read your letters of comment addressed to the Secretary of the Ontario Energy Board ("the Board") on Orillia Power's 2010 distribution rates application. These letters were posted on the Board's website under file EB-2009-0273 on October 21, 2009 and October 27, 2009. Further to those, I would like to provide a few comments regarding our application..

Orillia Power has followed the Ontario Energy Board's guidelines for Ontario electricity distribution utilities with respect to preparing and filing this application. Our utility strives to provide a safe, proactive work environment for staff while focused on first class customer service and at the same time accommodating the ever changing electrical power needs within the community. It is essential that we meet all required statutory, safety, environmental and regulatory obligations inherent in the operations of a distribution utility. We have applied to the Board in order to preserve this utility's ability to maintain the high standards that are required for quality, safety, and reliability of the City of Orillia's electrical distribution system. I'm sure that, as a former Commissioner of our utility, you can appreciate that.

Achievement of the important objectives mentioned above must always be balanced against reasonable electricity distribution rates. In applying for revised distribution rates, Orillia Power attempted to mitigate as much as possible the impact on customer bills while ensuring our continued ability to run our system in the manner expected by customers, various regulators, our shareholder and other stakeholders. Approval of this rate application by the Board will help Orillia Power in the achievement of that goal.

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Mr. Frank Kehoe
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Certain rate subsidy strategies suggested in your letters are currently not available to Orillia given the corporate structures that were required to be established under Provincial legislation during Bill 35 restructuring back in 2000. It is important to note that Orillia Power must operate within the legislative and regulatory framework currently prescribed. We wish to assure you that Orillia Power's Board governance structure is in compliance with all legislative and regulatory requirements and that the Distribution Board meets the independence requirements from the other affiliate Boards.

The Board's written hearing process which was outlined in the Notice published in the Packet & Times newspaper does provide you with opportunities to present your concerns and comments to the Board as you have done. The Board's Notice states that any comments filed on this Application will be "provided to Board members deciding the application" in order to ensure that your views will be part of the Board's deliberations in deciding this Application. Should you need more information, you can visit the Board's website at www.oeb.gov.on.ca or call the Board's Consumer Relations Centre at 1-877-632-2727. Should you wish to discuss the issues mentioned in your letter directly with me, I can be reached at (705) 326-2495 ext. 222.

Yours truly

A handwritten signature in black ink, appearing to read "P. Hurley". The signature is fluid and cursive, with the first letter of the first name being a large, stylized capital 'P'.

Patrick J. Hurley B. Math., CMA
Treasurer, OPDC

c.c. John F. Mattinson, President & Secretary, OPDC

February 12, 2010

Mr. R. A. Ritchie
427 Sundial Dr.,
Orillia, ON
L3V 4A7

Dear Mr. Ritchie:

Re: 2010 Cost of Service Rate Application ... EB-2009-0273

I am writing to acknowledge that Orillia Power Distribution Corporation ("Orillia Power") has read your letter of comment addressed to the Secretary of the Ontario Energy Board ("the Board") on Orillia Power's 2010 distribution rates application. This letter was posted on the Board's website under file EB-2009-0273 on November 4, 2009. Further to this letter, I would like to provide a few comments regarding our application.

Orillia Power has followed the Ontario Energy Board's guidelines for Ontario electricity distribution utilities with respect to preparing and filing this application. Our utility strives to provide a safe, proactive work environment for staff while focused on first class customer service and at the same time accommodating the ever changing electrical power needs within the community. It is essential that we meet all required statutory, safety, environmental and regulatory obligations inherent in the operations of a distribution utility. We have applied to the Board in order to preserve this utility's ability to maintain the high standards that are required for quality, safety, and reliability of the City of Orillia's electrical distribution system.

Achievement of the important objectives mentioned above must always be balanced against reasonable electricity distribution rates. In applying for revised distribution rates, Orillia Power attempted to mitigate as much as possible the impact on customer bills while ensuring our continued ability to run our system in the manner expected by customers, various regulators, our shareholder and other stakeholders. Approval of this rate application by the Board will help Orillia Power in the achievement of that goal.

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Mr. R.A. Ritchie
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Many of the questions you asked in your letter relate to issues and decisions not under the control of Orillia Power but of the Province. Three examples of Provincial issues outside of the direct control of Orillia Power are the decision to require all distribution utilities to install smart meters, the requirement for all utilities to collect Debt Retirement Charge and the proposed implementation of the Harmonized Sales Tax. It is important to note that Orillia Power must operate within the legislative and regulatory framework currently prescribed by the Province in order to maintain its distribution license in good standing. I would be happy to discuss these issues, or any others, with you at your convenience.

The Board's written hearing process which was outlined in the Notice published in the Packet & Times newspaper does provide you with opportunities to present your concerns and comments to the Board as you have done. The Board's Notice states that any comments filed on this Application will be "provided to Board members deciding the application" in order to ensure that your views will be part of the Board's deliberations in deciding this Application. Should you need more information, you can visit the Board's website at www.oeb.gov.on.ca or call the Board's Consumer Relations Centre at 1-877-632-2727. Should you wish to discuss the issues mentioned in your letter directly with me, I can be reached at (705) 326-2495 ext. 222.

Yours truly



Patrick J. Hurley B. Math., CMA
Treasurer, OPDC

c.c. John F. Mattinson, President & Secretary, OPDC