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April 14, 2010

BY EMAIL & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2009-0265
Haldimand County Hydro Inc. – 2010 Cost of Service Application
Energy Probe – Draft Rate Order Comments

Pursuant to the Decision and Order, issued by the Board on March 31, 2010, please find attached two hard copies of the Draft Rate Order Comments of Energy Probe Research Foundation (Energy Probe) in the EB-2009-0265 proceeding for the Board's consideration. An electronic version of this communication will be forwarded in PDF format.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc: Lloyd Payne, Haldimand County Hydro Inc. (By email)
Jacqueline A. Scott, Haldimand County Hydro Inc. (By email)
James C. Sidlofsky, Borden Ladner Gervais LLP (By email)
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Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF an Application by
Haldimand County Hydro Inc. for an order approving just
and reasonable rates and other charges for electricity
distribution to be effective May 1, 2010.

**COMMENTS ON THE DRAFT RATE ORDER
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

April 14, 2010

**HALDIMAND COUNTY HYDRO INC.
2010 RATES**

EB-2009-0265

COMMENTS ON DRAFT RATE ORDER

As part of the Decision and Order dated March 31, 2010, the Board ordered Haldimand to file with the Board and forward to intervenors a draft Rate Order within 14 days of the date of the Decision. The draft Rate Order was to provide detailed supporting information showing the calculation of the final rates including the Revenue Requirement Work Form.

The Board further ordered that intervenors should file any comments on the draft Rate Order with the Board and forward to Haldimand within 5 days of the date of the filing of the draft Rate Order.

Haldimand filed the draft Rate Order on April 13, 2010. Energy Probe has had the opportunity to review the draft Rate Order and believes that further clarification is required in three areas.

First, there are no calculations provided to support the figure of \$11,341,667 shown as the Distribution Revenue at Current Rates in the Per Board Decision column of the Revenue Requirement Work Form provided as Appendix C to the draft Rate Order page 42 of 66. In the Board's Decision, the load forecast was increased from 343,105,621 kWh to 347,000,000 kWh. This change has also had an impact on the kW demand forecast. The changes in the load forecast are shown in Appendix E to the draft Rate Order. However, without the detailed calculations, Energy Probe is unable to determine whether the increase in the Distribution Revenue at Current Rates shown in Appendix C is accurate. Energy Probe submits that Haldimand should provide a supplemental schedule or appendix showing the calculation of this revenue based on the higher kWh and kW forecast approved by the Board.

Second, Energy Probe notes that Table 3 in Appendix E (page 53 of 66) has a column showing the Net Change for non-RPP kWh. However, there is no similar column showing the net change for RPP kWh. Further Energy Probe seeks clarification on the apparent change in the mix of RPP and non-RPP volumes shown in the two columns under the Revised Per Board Decision heading relative to those columns shown under the Revised per Settlement heading. For example, in addition to the increase in total volumes, which appears to be correct to Energy Probe, there is a movement of RPP volumes to the non-RPP category and a reduction in RPP volumes in all rate classes except Residential and Unmetered Scattered Loads. These changes may be appropriate, but they should be explained by Haldimand.

Third, in a related matter, Energy Probe believes that the Cost of Power Details shown in Table 3 of Appendix D (page 51 of 66) should be clarified with further explanations and details of the calculations used to arrive at the figures used in the Revised per Board Decision relative to the Original per Application and Revised per Settlement columns. In particular, there are changes to accounts 4708, 4714, 4716 and 4750 shown in the Revised per Board Decision column relative to those shown in the Revised per Settlement column. These changes should be explained by referring to the change in the volumes and/or rates used and the derivation of the changes based on the approved Board forecast. Showing the calculations would provide needed clarity.

As for account 4705 Power Purchased, Energy Probe is unable to easily verify the figure of \$23,063,072 shown in the Revised per Board Decision column. The following table is an attempt by Energy Probe to estimate the cost of the power purchased based on the Board approved kWh billing forecast of 347,000,000 kWh.

	<u>Billed</u>	<u>Loss</u> <u>Factor</u>	<u>Purchases</u>	<u>Rate</u>	<u>Cost</u>
	(1)	(2)	(3)	(4)	
RPP kWh	232,069,254	1.068	247,849,963	0.06215	15,403,875
Non-RPP kWh	<u>114,930,746</u>	1.068	<u>122,746,037</u>	0.06086	<u>7,470,324</u>
	347,000,000		370,596,000		22,874,199

(1) Appendix E, Table 3

(2) Appendix E, Table 1

(3) Appendix E, Table 1 total purchases is 370,595,851

(4) Energy Probe Interrogatory #7 part

(d)

As the above table illustrates, the cost of power is calculated to be \$22,874,199 rather than \$23,063,072 shown in the draft Rate Order. Energy Probe submits that Haldimand should provide the calculations and figures used to arrive at the Power Purchased figure of \$23,063,072.