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May 3, 2010

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: Cambridge and North Dumfries Hydro Inc. – 2010 Draft Rate Order
Vulnerable Energy Consumers Coalition (VECC) Comments
Board File: EB-2009-0260**

As counsel for the Vulnerable Energy Consumers Coalition's (VECC) I am writing to provide comments regarding Cambridge and North Dumfries Hydro's Draft Rate Order circulated April 28, 2010. VECC's only comments are with respect to the allocation of the Revenue Requirement to customer classes as set out in Appendix C (page 3) of the Draft Rate Order.

In the Settlement Agreement, parties agreed that the revenue-to-cost ratio for the USL class should remain unchanged from the 110.09% value produced by the 2010 Cost Allocation Study. As a result of the Board's Decision regarding the unsettled matters, changes were made to both the 2010 load forecast and the 2010 revenue requirement. With these changes the updated 2010 Cost Allocation Study now yields a revenue-to-cost ratio for USL of 91.9% (per Draft Rate Order, Appendix C, pages 2-3). However, Cambridge and North Dumfries Hydro has continued to use the 110.09% value in its Draft Rate Order.

In VECC's view the principle underlying the Settlement Agreement was that the revenue-to-cost ratio should remain unchanged from that produced by the Cost Allocation Study and that use of the updated 91.0% value in the Draft Rate Order would

be more appropriate. VECC notes that the revenues associated with the USL class are small and this change is unlikely to have a material impact on the other customer classes' rates. However, it will have a material impact on the rates applicable to the USL class.

Yours truly,

Michael Buonaguro
Counsel for VECC