BoardSec
FW: EB-2010-0110 Comments
November 10, 2010 11:24:43 AM

John Pickernell Assistant Board Secretary Ontario Energy Board 416-440-7605 Fax: 416-440-7656 Website: <u>www.oeb.gov.on.ca</u> Official Correspondence: <u>BoardSec@oeb.gov.on.ca</u>

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From: Christine Dade [mailto:christine.dade@powerstream.ca] Sent: November 9, 2010 3:31 PM To: BoardSec Cc: Subject: EB-2010-0110 Comments

Dear Ms. Walli,

Pls find below correspondence from one of our customers, regarding our rate application. I have included to you the response that we have sent to our customer.

Mr. and Mrs. Smith have asked that we forward this correspondence to our regulatory body - I have advised Mr. and Mrs. Smith, that it is part of our Notice of Application that their letter be a part of the hearing process. Pls see below our other response to the customer where we have advised them that we will be sending to the OEB. I have copied our customer on this email.

Thank you

CD

We are in receipt of your letter dated November 8th, and Mr. Fagen, Director, Corporate Communications has responded on behalf of PowerStream's management to your concerns.

In following the directions by the Ontario Energy Board (OEB) in our Notice of Application, we are forwarding your letter to the OEB to be filed with all of the comments and/or issues pertaining to our application. As you have sent your letter to us first, we are forwarding to the OEB. Please see the note below which is an excerpt from our Notice advising consumers that their personal information, other than your name will be removed before posting on the OEB website, under our application number. The link to the OEB website is <u>www.oeb.gov.on.ca</u>.

If you require further information, please do not hesitate to email or call the undersigned.

Thank you

Christine Dade

Christine Dade Christine.dade@powerstream.ca Direct:905-532-1052 Cell: 416-993-3976

From: Eric Fagen Sent: Tuesday, November 09, 2010 12:59 PM To: Cc: Christine Dade Subject: FW: Rate Increase

Dear Mr. and Mrs. Smith:

As per your email to Christine Dade, I would like to respond to the concerns you raised in your correspondence to her.

I certainly understand your frustration with the increases that have been appearing on the bills of all electricity customers in Ontario over the past six months. It is a concern for us as well even though most of the increases are associated to parts of the bill not related to PowerStream's own operational costs.

As you may know, PowerStream only controls the "distribution" charges (subject to the review and approval of the Ontario Energy Board) which are embedded in the "Delivery" line of your bill. The recent distribution rate application we filed with the Ontario Energy Board (OEB) was mandatory under OEB regulations. It is a filing that all Ontario utililities must submit each year in order to be compliant with the regulator. The OEB has deemed that this filing is required for all Ontario utilities in order to ensure that the necessary resources are in place so that utilities are able to provide reliable electricity distribution services to customers when inflation and other cost pressures (minus efficiency targets set by the OEB) are considered.

Our latest rate application submission was in accordance with a prescribed formula that the OEB provides all Ontario utilities. Although we submitted this rate application as per OEB regulations and processes, we still recognize that the end result for our customers was a slight increase in PowerStream's distribution rates at a time when portions of their bill relating to areas beyond PowerStream's control ("Electricity" prices, "Regulatory" costs and HST) have significantly increased. PowerStream customers in Barrie and Simcoe County can take some comfort in knowing that even with this rate increase (which is still subject to OEB approval), there has still been an overall decrease in their distribution rates of 5.7%.since PowerStream merged with Barrie Hydro on January 1, 2009.

In fact, PowerStream's distribution rates are amongst the lowest in Ontario and are significantly lower when compared to most other local electricity distribution companies that serve other customers in Simcoe County. Here below is a list of monthly delivery charges for a typical PowerStream residential customer(Barrie/Simcoe County area), using 800 kilowatt hours in a month, in comparison to customers of some other local distribution companies serving Simcoe County (source: OEB website):

PowerStream

Midland Power\$38.03Innisfil Hydro\$48.69Hydro One (Residential Medium Density)\$53.79

Furthermore, we still have yet to harmonize rates of the Barrie/Simcoe County part of our service territory with our York Region area. A typical PowerStream residential customer in York Region, using 800 kilowatt hours in a month, currently has monthly distribution charges of \$29.42. Although there are no guarantees from rate harmonization, historically the customers in the "smaller" part of a new larger service territory formed through a merger or an acquisition, usually see a reduction in their distribution rates. For example, following the acquisition of Aurora Hydro by PowerStream in 2005 and rate harmonization in 2007, Aurora customers saw decreases in their distribution rates. A copy of the news release we issued at that time is attached here for your reference. We will be harmonizing the distribution rates of the two parts of our current service territory sometime over the next couple of years. The new harmonized rate will have to be approved by the OEB.

I hope the information I have provided you in this email is helpful.

Eric Fagen Director, Corporate Communications PowerStream Inc.

From: Paul [] Sent: Monday, November 08, 2010 4:43 PM To: PowerStream Regulatory Subject: Rate Increase

Attention: Ms. Christine Dade

Please note that we are STRONGLY OPPOSED to the proposed Power Stream rate increase as noted in today's edition of our local newspaper, The Barrie Examiner.

When Power Stream took over from Barrie Hydro, it was noted that no major increase(s) would happen when negotiating with the City of Barrie Councillors. Some of them were opposed to this deal and we were also opposed to Power Stream taking over Barrie Hydro in the first place.

Prior to this happening, we were very happy with the service and pricing at Barrie Hydro.

Aside from the added HST(a travesty foisted on us by the Provincial Liberals!) our electricity bills from Power Stream (not because of 2 month billing!) have been steadily increasing!

We are both retired seniors on fixed income who are trying to cope in our modest 2 bedroom bungalow with the ever increasing property taxes, natural gas increases, so-called smart meters, and now the increases by Power Stream!

I hope this message will be seen by whoever decides if you warrant the proposed increase.

We would appreciate it if you would let us know that this message has been forwarded to the appropriate regulatory board. If this is not feasible, please send me their e-mail address.

Paul & Goldie Smith



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