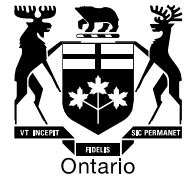


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BY EMAIL

December 31, 2010

Board Secretary
Ontario Energy Board
2300 Yonge Street, Ste.2700
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Board Staff's Comments on Draft Rate Order
Ottawa River Power Corporation
Board File No. EB-2009-0165**

Please find attached Board staff's comments on the Draft Rate Order filed by Ottawa River Power Corporation.

Please forward the attached to Ottawa River Power Corporation and the intervenor in this proceeding.

Yours truly,

Original Signed By

Suresh Advani
Case Manager

Enclosure

Ottawa River Power Corporation
EB-2009-0165
Board Staff Comments on Draft Rate Order

Introduction

Ottawa River Power Corporation (“Ottawa River”) filed an application with the Ontario Energy Board (the “Board”) on June 30, 2010, seeking approval for changes to the rates that Ottawa River charges for electricity distribution. In the Decision and Order, December 15, 2010 (the “Decision”), the Board ordered Ottawa River to file a Draft Rate Order (“DRO”) attaching a proposed Tariff of Rates and Charges and other filings that reflect the Board’s findings in its Decision within 14 days of the date of this Decision. Board staff and VECC were ordered to file any comments on the DRO within 7 days of the date of filing of the DRO on December 29, 2010.

Based on a review of Ottawa River’s DRO, Board staff’s comments are related to matters of clarification in the following areas.

Revenue Calculation

Please provide a detailed revenue calculation by rate class reconciling the proposed revenue for each rate class to the total proposed Distribution Revenue of \$3,955,284.

Revenue-to-Cost Ratios

Board staff notes that, in order to minimize the cross-subsidization between the Street Lighting and Residential rates classes, the Board directed Ottawa River to increase the revenue-to-cost ratios for the former to the bottom of the range utilizing a two year phase-in period. Please provide a table showing the allocated costs, proposed revenues and revenue-to-cost ratios for all rate classes.

Bill Impact Summary

Board staff notes that a Customer Bill Impact Analysis is included¹ in the DRO for the Residential, General Service < 50 kW and General Service 50 to 4,999 kW rate classes. Similar to the practice followed in the Application², please provide the same for the Unmetered Scattered Load, Sentinel Lighting and Street Lighting rate classes.

Further, Board staff notes that the table titled “Selected Delivery Charge and Bill Impacts Per Draft Rate Order” included³ in the Revenue Requirement Work Form is not populated. Please provided a completed table.

¹ DRO: Appendix B

² Application: Exhibit 8, Tab 4, Schedule 4, Attachment 2

³ DRO: Appendix C

Low Voltage Charges

Board staff notes that in its Decision, the Board approved Ottawa River's proposed Low Voltage ("LV") charges. Board staff further notes that the LV charges presented in the Schedule of Rates and Charges included⁴ in the DRO are different from those proposed in the Application⁵ for the General Service 50 to 4,999 kW, Sentinel Lighting and Street Lighting rate classes. Please explain the differences.

~ All of which is respectfully submitted ~

⁴ DRO: Appendix A

⁵ Application: Exhibit 8, Tab 4, Schedule 4, Attachment 1