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January 10, 2011

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-2009-0274**  
**Whitby Hydro Electric Corporation – 2010 Cost of Service Application**  
**Draft Rate Order – Energy Probe Comments**

Pursuant to the Decision, issued by the Board on December 20, 2010, please find attached the Comments of Energy Probe Research Foundation (Energy Probe) in respect of the Draft Rate Order in the EB-2009-0274 proceeding for the Board's consideration.

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

Yours truly,

David S. MacIntosh  
Case Manager

cc: Ramona Abi-Rashed, Whitby Hydro Electric Corporation (By email)  
Andrew Taylor, Ogilvy Renault LLP (By email)  
Randy Aiken, Aiken & Associates (By email)  
Intervenors of Record (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 Whitby  
Hydro Electric Corporation for an order approving just  
and reasonable rates and other charges for electricity  
distribution to be effective May 1, 2010.

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

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**January 10, 2011**

**WHITBY HYDRO ELECTRIC CORPORATION  
2010 RATES REBASING CASE  
EB-2009-0274**

**ENERGY PROBE RESEARCH FOUNDATION  
DRAFT RATE ORDER COMMENTS**

Energy Probe has reviewed the EB-2009-0274 Draft Rate Order ("DRO") that was filed by Whitby Hydro Electric Corporation ("Whitby") with the Board on January 7, 2011 and has comments related to two areas as described below. Other than the areas discussed below, Energy Probe believes that the DRO conforms to the Proposed Settlement Agreement that was approved by the Board in its December 20, 2010 Decision.

**Retail Transmission Service Rates**

The first area deals with the changes in the draft rate order relative to the settlement agreement for retail transmission service rates ("RTSRs"). Appendix C of the Proposed Settlement Agreement dated December 8, 2010 provided the details of the assumptions agreed to with respect to RTSRs rates and billing determinants to be used for 2011. In particular the RTSR rates used were those proposed by Hydro One Networks Inc. ("HONI") for 2011 in EB-2010-0002. These rates were based on the most recent information available for 2011.

In the Decision dated December 20, 2010 in this proceeding, the Board indicated that:

*"Whitby Hydro should also show detailed calculations of any revisions to the Retail Transmission Service Rates, rate riders, and rate adders reflecting the Settlement Proposal, and should include bill impacts." (page 3)*

At page 2 of the DRO, Whitby has indicated that it has changed the rates used from those in the Settlement Proposal. These changes are limited to updates related to the 2011 Uniform Transmission Rates as identified in the HONI Draft Rate Order (EB-2010-0002) dated January 5, 2011.

At page 5 of Appendix C to the DRO, Whitby further identifies and quantifies the impact of using the uniform transmission rates from the January 5, 2011 HONI DRO. Whitby has not made any changes to the billing determinants.

Energy Probe supports the changes made in the DRO relative to that shown in the Proposed Settlement Agreement related to the change in the uniform transmission rates. The Settlement was intended to ensure that the relevant RSVA account balances would not change further in 2011 as a result of increased transmission costs relative to 2010. The change proposed by Whitby will ensure that the account balances will not change further in 2011 due to the lower transmission rates coming out of EB-2010-0002 relative to those proposed in that proceeding.

Energy Probe further notes that by updating the RTSRs to reflect the most recent information available, the total bill impact on the Whitby customers has been reduced from those in the Proposed Settlement Agreement. In particular, the total bill impact for residential customers has been reduced from 1.9% to 1.4%. The increase for the GS < 50 kW customers has been reduced from 1.2% to 0.7% while the increase for the GS > 50 kW class has been reduced from 0.5% to 0.0%.

Energy Probe also notes that Whitby has updated the low voltage costs to reflect the approved rates from the EB-2009-0096 Rate Order dated December 21, 2010, and that this change is immaterial.

**Tariff of Rates and Charges - Allowances**

**Energy Probe notes that at page 8 of Appendix A of the DRO, under the head of Allowances, the "Primary Metering Allowance or transformer losses - applied to measured demand and energy" percentage is shown as (1.00). This is different from the figure of 1.00 shown on page 5 of Appendix A to the Proposed Settlement Agreement and the evidence at page 401 of Exhibit 8.**

**Energy Probe is not certain which sign this figure of 1.00% should have and invites Whitby to clarify which figure is correct.**