



January 14, 2011

Ms. Kirsten Walli
Ontario Energy Board
PO Box 2319
27th Floor, 2300 Yonge Street
Toronto, Ontario M4P 1E4

**Re: Proposed Revisions to the OEB Cost Assessment Model
Board File No.: EB-2010-0362**

Dear Ms. Walli,

Chatham-Kent Hydro Inc. and Middlesex Power Distribution Corporation welcome the opportunity to comment on the “Proposed Revisions to the OEB Cost Assessment Model”.

Please find attached a joint submission from Chatham-Kent Hydro and Middlesex Power Distribution Corporation.

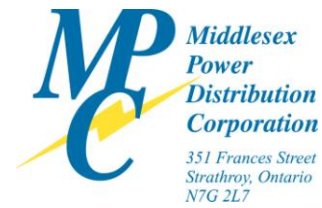
If you have any further questions please do not hesitate to contact David Ferguson at (519) 352-6300, extension 558 or davidferguson@ckenergy.com.

Regards,

[Original Signed By]

Andrya Eagen
Senior Regulatory Specialist
Phone: (519) 352-6300 Ext. 243
Email: andryaeagen@ckenergy.com

**CC: Dave Kenney, President of Chatham-Kent Hydro & Middlesex Power Distribution
Chris Cowell, Chief Financial and Regulatory Officer
David Ferguson, Director of Regulatory Affairs and Risk Management**



Proposed Revisions to the OEB Cost Assessment Model to reflect the Proposed Amendment to Ontario Regulation 16/08

EB-2010-0362

Comments from:
Chatham-Kent Hydro Inc. and
Middlesex Power Distribution Corporation

January 14, 2011

Chatham-Kent Hydro Inc. (“CKH”) & Middlesex Power Distribution Corporation (“MPDC”) are pleased to comment on the “Proposed Revisions to the OEB Cost Assessment Model”.

CKH & MPDC have reviewed the Draft Cost Assessment Model issued on December 14, 2010 (to be effective April 1, 2011) and would like to share the following observations.

As licensed market participants, low-volume electricity retailers and gas marketers serve a large segment of Ontario consumers and receive oversight benefit from the Board, similar to all other market participants. CKH & MPDC therefore strongly agree with the Board’s proposal to include these additional classes in the cost allocation pool. Such an action will help to make the structure fair and equitable for all participants and consumers.

CKH & MPDC also promote the proposed methodology for intra-class allocation of costs among retailers and marketers. CKH & MPDC believe that the number of customers and the number of complaints are both drivers of Board activity, and therefore it is logical that these mechanisms would be used in the allocation process. Cost allocation based on complaints will also serve to encourage higher levels of customer service by the retailers and marketers and will promote enhanced overall customer satisfaction.

In summary, CKH & MPDC support the proposed updates as drafted as a means by which to achieve a more equitable cost allocation model for market participants.