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January 26, 2012

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-2011-0273
Grimsby Power Inc. – 2012 Cost of Service Application
Energy Probe --- Comments on Draft Rate Order

Pursuant to the Decision and Order, issued by the Board on January 16, 2012, please find attached the Comments of Energy Probe Research Foundation (Energy Probe) in respect of the Draft Rate Order in the EB-2011-0273 proceeding for consideration by the Board.

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

Yours truly,

David S. MacIntosh
Case Manager

cc: James Sidlofsky, Border Ladner Gervais LLP (By email)
Doug Curtiss, Grimsby Power (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 Grimsby
Power Inc. for an order approving or fixing just and
reasonable rates and other charges for the distribution of
electricity to be effective January 1, 2012.

**ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

**COMMENTS ON DRAFT RATE ORDER
JANUARY 26, 2012**

**GRIMSBY POWER INC.
2012 RATES REBASING CASE
EB-2011-0273**

**COMMENTS OF ENERGY PROBE RESEARCH FOUNDATION ON DRAFT
RATE ORDER DATED JANUARY 23, 2012**

Energy Probe has reviewed the Draft Rate Order ("DRO") filed January 23, 2012.

Energy Probe has a number of comments, as detailed below.

1. Page 9 - Table 7

Energy Probe submits that the figures shown in Table 7 are accurate. However, in light of the Board's proposed CDM Guidelines for Electricity Distributors (EB-2012-0003), Energy Probe submits that an additional column should be added to Table 7 that reflects the kWh and kW (where appropriate) impact of the CDM forecast included in the forecast by rate class. This will provide the basis for comparison to actual CDM achieved in the future for LRAM calculation purposes. A brief description should also be provided detailing how the CDM impact by rate class has been calculated, starting with the agreed upon figure of 1.552 GWs.

2. Page 10 - Smart Meter Disposition Rider

The text on this rate rider implies that there is only one rate rider (calculated over 10 months or over 22 months), while there are actually separate rate riders for the residential and GS < 50 kW rate classes, which are calculated in Appendix H. Energy Probe submits that this wording and the two bullet points should be updated to reflect Appendix H and the fact that there are different rate riders for the rate classes noted.

3. Page 11 - Table 10

Energy Probe believes that the \$/unit shown in Table 10 are the correct figures. However, they are based on different billing quantities than those shown in the table. In particular, the billing quantities actually used in the \$/unit calculations are those shown in

Table 10, multiplied by 22/12 to reflect recovery over 22 months. Energy Probe submits that an additional column should be inserted in Table 10 to reflect this adjustment to billing units used in the calculation of the \$/unit figures.

4. Page 13 - Table 14

Energy Probe notes that the 2012 service charge and 2012 volumetric rates shown for the USL class do not match those used in the proposed rate schedules shown in Appendix A to the draft rate order. In addition, the 2012 service charge shown for the USL class of \$18.10 is different than the \$17.62 shown in Appendix F for this rate class.

5. Page 14 - Cost Allocation

Energy Probe notes that the text and Table 15 deal only with the revenue to cost ratios for the 2012 test year. There is no indication of the agreed upon movement of the Street Lighting ratio to the bottom of the Board Approved range of 70% over the 2013 and 2014 years. There is also no mention of the use of the additional revenue generated from this increase in the Street Lighting class to reduce the revenue to cost ratio in 2013 and 2014 of the residential class which has the highest revenue to cost ratio in 2012. Energy Probe submits that an additional paragraph should be added to this section detailing this agreed upon movement.

6. Page 16 - Bill Impacts

Energy Probe has reviewed the impacts of using a 10 month and a 22 month period to recover the foregone revenue associated with an implementation date of March 1, 2012 and agrees with Grimsby Power that the impacts of using a 10 month period are reasonable.

7. Appendix J

Energy Probe notes that Grimsby Power has calculated the forgone revenue rate riders based on a simplifying assumption that the approved load forecast is equal on a monthly basis. Energy Probe notes that this assumption is not entirely accurate, as Grimsby Power forecasts energy purchases on a monthly basis and this information could be used

to provide a more accurate forecast of the percentage of the 2012 load forecast that takes place in January and February. However, given that the total forgone revenue is less than \$75,000, Energy Probe accepts that the simplifying assumption used by Grimsby Power would not have a significant impact on the rate rider calculations and is prepared to accept this methodology.