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**BY E-MAIL**

January 30, 2012

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, Ste. 2701  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Grimsby Power Inc.  
2012 Distribution Rate Application  
Comments on Draft Rate Order  
Board File No. EB-2011-0273**

Please find attached Board Staff's comments on draft Rate Order filed by Grimsby Power Inc. on January 23, 2012. Please forward the comments to Grimsby Power Inc. and to all other registered parties to this proceeding.

Sincerely,

*Original signed by*

Silvan Cheung  
Advisor – Applications & Regulatory Audit

Encl.

**Grimsby Power Inc. ("Grimsby")**  
**2012 Cost of Service (EB-2011-0273)**

**Board Staff Comments on Draft Rate Order**

On January 16, 2012, the Board issued its Decision on Grimsby's rate application. The Decision required the Applicant to submit its draft Rate Order within seven days of the issuance of the Decision. The Applicant submitted its draft Rate Order and supporting documentation on January 23, 2012. Board staff submits that Grimsby has appropriately reflected the Board's findings in all areas except for the three noted below.

**Tariff of Rates and Charges**

Board staff notes that in Appendix A of the draft Rate Order, the Standby Power Service classification is included in the proposed 2012 Tariff, which is intended to reflect the Board's Decision. However, staff notes that Grimsby had requested discontinuation of the Standby Power Service Classification in its application. The Settlement Agreement did not explicitly address this issue. Board staff does not have a concern with the removal of the Standby Power Service Classification from the proposed 2012 Tariff, but Grimsby should clarify its request in its reply. Grimsby should also confirm that it does not foresee any customers for this class in the future if it intends on eliminating this class. If Grimsby intends on retaining this classification, Board staff submits that the rates associated with this class should remain interim.

Board staff also notes that in Appendix A of the draft Rate Order, the rate riders for Recovery of Smart Meter Costs are presented to four decimal places. Since these riders are based on a fixed rate, staff submits that these should be rounded to two decimal places as per the Board's practice.

Board staff also notes that for the General Service 50 to 4,999 kW service classification, the proposed 2012 Tariff does not include the Retail Transmission Service Rates, for Network and Line Transformation for Interval metered customers. Staff submits that these two rates should be included on the Tariff or in the alternative, Grimsby should provide an explanation.

- All of which is respectfully submitted -