



March 24, 2008

BY RESS AND EMAIL

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319,  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

**Re: Hydro One Networks Inc. Request for Interim Rates  
Board File No. EB-2007-0681**

Dear Ms. Walli:

The Board invited submissions on Hydro One's request that its 2007 distribution rates be approved as interim rates until new rates are approved in the current proceeding.

AMPCO will support interim rates only on the following conditions: (1) Hydro One must reduce retail transmission service rates to reflect the lower transmission rates in place since November 2007 and (2) Hydro One must immediately clear the variance account it has accumulated by rebating excess transmission service revenues to customers.

Since November 1, 2007, when new, lower transmission rates approved by the Board were put in place, Hydro One distribution has continued to collect transmission rates from customers based on the previous higher transmission rates.

On October 29, 2007, the Board directed all electricity distributors to propose an adjustment to their retail transmission service rates to pass through the transmitter rate reductions. Hydro One proposed to make the changes effective at the time of its 2008 distribution rate order, originally anticipated for May 1, 2008. As the probable effective date for this rate change recedes into the future, Hydro One's approach becomes less and less reasonable.

The current schedule for the proceeding is unlikely to result in a rate order until this fall. With the number of changes proposed in Hydro One's current application, and given the time that will be required for implementation, it is not unreasonable to expect that new rates may not be put in place before January 1, 2009.

Holding the excess transmission revenue in a deferral account pending the implementation of 2008 distribution rates would constitute an inappropriate use of customer money that should not have been collected in the first place. AMPCO submits that it is proper and consistent with good rate-making principles that these funds be returned to customers as quickly as practical.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Adam White", with a long horizontal flourish extending to the right.

Adam White  
President

**Association of Major Power Consumers in Ontario**

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