

May 21, 2013

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

Re: Consultant Report and Stakeholder Consultations Meetings in May Defining and Measuring Performance of Electricity Distributors (EB-2010-0379)

Dear Ms. Walli,

Entegrus Powerlines Inc. ("Entegrus") appreciated the opportunity to attend the above-noted consultation held at the Ontario Energy Board on May 16, 2013.

Throughout the consultation, the importance of total service area square kilometre data was apparent. In designing the proposed distributor total cost benchmarking, the Pacific Economic Groups ("PEG") has utilized the data both as a variable for the econometric model (refer to Table 12), and as a determinant in the establishment of unit cost peer groups (refer to Table 23). Subsequently, Entegrus raised an observation during the consultation with regard to potential inconsistent interpretation amongst distributors in reporting total service area square kilometres for RRR reporting purposes.

Specifically, some distributors have licenced service territories comprised of non-contiguous "islands" of urban centres. The parcels of rural territory between the non-contiguous urban centres of distributors is often licenced to and serviced by Hydro One Distribution Networks. Please refer to Attachment 1, which demonstrates the non-contiguous nature of the Entegrus service territory. Accordingly, RRR reporting inconsistency may arise from the following potential interpretation cases of service territory definition amongst distributors:

- (a) Report just the area of service territory actually served (i.e. the area of the islands); or,
- (b) Report the entire range of service territory, including the distances between the islands.

Entegrus notes that the Board's RRR Filing Guide (refer to section 2.1.5.5, entitled "Utility Characteristics") defines this data as follows: *"Licensed Service Area (Sq. Kms.) in total, and broken down by rural and urban."* The inclusion of the term "licensed" above has resulted in Entegrus historically reporting just its licenced service territory for RRR purposes (i.e. reporting case (a) above). Entegrus believes that its filing interpretation is correct, but notes there to be the risk of differing interpretation across distributors. Such differences would result in the use of inconsistent data in the benchmarking model data for this key variable.

Entegrus respectfully requests that the Board consider validating whether distributors have reported total service area square kilometre data in a manner consistent with licenced service territory. In the event that the Board decides to apply reporting case (b) above to all distributors for the purposes of Total Cost Benchmarking, Entegrus offers the following additional data in advance with respect to its service territory:

Entegrus Powerlines Service Territory Details	
Number of urban communities served (refer to ED-2002-0563 excerpt shown as Attachment A)	16
Reporting case (a) above – licenced service territory served only (as reported for RRR purposes)	96 square km
Reporting case (b) above – entire range of service territory	3,300 square km

If you have any questions, please do not hesitate to contact me.

Sincerely,

[Original Signed By]

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cc: Lisa Brickenden, Ontario Energy Board
Dan Charron, President
Chris Cowell, Chief Financial and Regulatory Officer
Ryan Diotte, Senior Regulatory Analyst

Attachment 1
Excerpt from Entegrus Powerlines Distribution Licence ED-2002-0563

Entegrus Powerlines Inc.
Electricity Distribution Licence ED-2002-0563

SCHEDULE 1 DEFINITION OF DISTRIBUTION SERVICE AREA

This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with paragraph 8.1 of this Licence.

Those parts of the following former municipalities (including the former Police Village of Merlin) that the former dissolved public utilities commissions served on December 31, 1997:

1. Town of Blenheim,
2. Town of Bothwell,
3. City of Chatham,
4. Town of Dresden,
5. Village of Erieau,
6. Police Village of Merlin,
7. Town of Ridgetown,
8. Village of Thamesville,
9. Town of Tilbury,
10. Town of Wallaceburg,
11. Village of Wheatley, and
12. Part Lots 16 & 17, Concession A, Geographic Township of Ranleigh, designated as Part 1, Reference Plan 24R 7195, Municipality of Chatham-Kent, and Part Lot 17, Concession A, Geographic Township of Ranleigh, designated as Part 2, Reference Plan 7195, Municipality of Chatham-Kent as per Board Order RP-2003-0044, dated September 16, 2003.
13. The former Town of Strathroy as of December 31, 2000.
14. The former Police Village of Mount Brydges as of December 31, 2000.
15. The former Town of Parkhill as of December 31, 2000.
16. The Village of Dutton as of December 31, 1997, now within the Municipality of Dutton/Dunwich.
17. The Village of Newbury as of November 7, 1998.