

July 15, 2013

**VIA E-MAIL**

John Pickernell  
Assistant Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON M4P 1E4

Dear Mr. Pickernell

**Re: North Bay Hydro Distribution Limited (NBHDL) - Delay of 2014 Cost of Service Application - Board File No. EB-2013-0157**

Thank you for your reply to my correspondence regarding the above-noted file.

Unfortunately, neither the Board nor NBHDL addressed the issues raised in my objection. That being the numerous expense items included in current rates which no longer exist and also that the current ROE rate is lower than that approved during the last cost of service application filed by NBHDL in 2010.

As I have pointed out in previous correspondence, in its first section, first subsection, the Ontario Energy Board Act Electricity Act, 1988 stipulates that the Board's objective is to protect the interests of consumers with respect to prices. Since the drafters of this piece of legislation gave that objective such a prominent placing, I think one could conclude that they considered this one of the most important objectives of the Act. It appears to me that the Board has not considered this objective in its ruling in this matter.

The Board has indicated it considered two items when issuing the deferral request; the financial situation and the system reliability and service quality indicators of NBHDL. I am suggesting that the Board is using the wrong criteria to make this decision.

In practical terms, if those are the criteria being used as the benchmarks, there could conceivably never be a need for a cost of service application. Since regular examination of items included in delivery rates are one of the few chances that the Board and consumers are able satisfy the main objective of the Act, the interest of consumers concerning pricing, they must take place on a regular basis.

The result of this approval is that when delivery rates are, as it the case here, demonstrably higher than necessary, ratepayers do not receive the benefit of this

situation and are forced to pay higher rates than necessary as well as increased PILS payments to the Province.

The Board has been given extraordinary powers by the Ontario Energy Board Act Electricity Act, 1988. It can and does act as judge and jury in all things connected with the public's access to electricity in this Province. This fact allows the Board to make decisions without the need to fully explain or support their reasoning.

However, in the interest of appearing to have the benefit of consumers in mind as to lower delivery rates, I would appreciate a reversal of the Board's approval or an explanation of the Board's reasoning in rejecting my arguments against the cost of service deferral.

Yours very truly,

D. D. Rennick, CPA, CA  
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