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June 5, 2014

BY FAX & BY 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-2014-0162
Milton Hydro Distribution Inc. --- Z Factor Application
Energy Probe – Response to Applicant Letter of May 20, 2014 to Board

Pursuant to Procedural Order No. 1, issued May 29, 2014, the following is a response to the Milton Hydro Distribution letter to the Board Secretary, dated May 20, 2014, seeking information from Energy Probe Research Foundation (Energy Probe) which is in addition to the Notice of Intervention of Energy Probe in the EB-2014-0162 proceeding, filed for the Board's consideration.

Energy Probe notes that it was a registered intervenor in the RP-2005-0020/EB-2005-0391 Milton Hydro 2006 rates proceeding and in the EB-2010-0137 Milton Hydro 2011 rates proceeding. In neither proceeding did Milton Hydro register an objection to the intervention of Energy Probe on behalf of the residential ratepayers that it serves.

The Notice of Intervention of Energy Probe in the EB-2014-0162 proceeding closely resembles the Notice of Intervention which Energy Probe filed in the EB-2010-0137 proceeding. Both referred to the residential customer supporters of Energy Probe and both interventions were broad in nature.

Milton Hydro should expect that Intervenors in the EB-2010-0137 proceeding would take a direct interest in the Z Factor application which seeks the recovery of a large amount of storm related restoration costs. Milton Hydro is still operating under the Incentive Rates Mechanism which permits the Z Factor application, following the EB-2010-0137 proceeding Settlement Agreement with Energy Probe, the School Energy Coalition and the Vulnerable Energy Consumers Coalition.

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Energy Probe has done a preliminary review of the Z factor application and the discrete issues raised in the application. It expects to review a number of the discrete issues related to the proposed recovery raised in the application including the amount, the incremental nature of those costs and the causation, materiality and prudence of the costs. In addition, Energy Probe will be reviewing the reasonableness of the assignment of costs to OM&A versus capitalized costs and the rate rider calculation and proposed term for that rider.

It does come as a surprise to Energy Probe that Milton Hydro, after requesting confidentiality on specific matters in the EB-2010-0137 proceeding, unopposed by Energy Probe, is requesting Energy Probe to identify its residential (financial) supporters in its Z Factor proceeding.

Energy Probe believes that releasing the identity of the individual ratepayer financial supporters of a non-profit organization would be a serious violation of their privacy and a violation of their rights under the Ontario Freedom of Information and Protection of Privacy Act, and quite probably would be an illegal act. In addition, Energy Probe does not record whether its financial supporters are the named parties to whom electricity bills are sent by Ontario electricity distributors.

Finally, as Procedural Order No. 1 notes in the penultimate paragraph of Page 2, Milton Hydro “submitted that the additional information requested by Milton Hydro will support the respective intervenor’s application for intervenor status”. Milton Hydro has not objected to the interventions of either the Vulnerable Energy Consumers Coalition or Energy Probe in this proceeding.

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

Yours truly,



David S. MacIntosh
Case Manager

- cc. Cameron McKenzie, Milton Hydro Distribution (By email)
- Frank Lasowski, Milton Hydro Distribution (By email)
- Suresh Advani, Ontario Energy Board (By email)
- Ljuba Djurdjevic, Ontario Energy Board (By email)
- Randy Aiken, Aiken & Associates (By email)