



**ENERGY+ INC.**

1500 Bishop Street, P.O. Box 1060, Cambridge, Ontario N1R 5X6 • Telephone 519-621-3530 • Facsimile 519-621-0383  
Website [www.energyplus.ca](http://www.energyplus.ca)

October 17, 2018

Ontario Energy Board  
PO Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

**Attention: Ms. Kirsten Walli, Board Secretary**

Dear Ms. Walli:

**RE: Energy+ Inc. 2019 Cost of Service Application (EB-2018-0028)  
Response to Customer's Letter of Comment**

Please find attached Energy+ Inc.'s response to a Letter of Comment filed on the Ontario Energy Board website, on September 24, 2018.

We have included a copy of the original letter of comment from the customer followed by Energy+ Inc.'s response to the customer.

Sincerely,  
**ENERGY+ INC.**

Sarah Hughes, CPA, CA, C.Dir.  
Chief Financial Officer

Encls.



ONTARIO  
ENERGY  
BOARD

COMMISSION  
DE L'ÉNERGIE  
DE L'ONTARIO

LETTER OF COMMENT FOR  
RATE APPLICATION

By signing and submitting this document to the Ontario Energy Board (OEB), you agree to have your name, your comments and any documents you provide made public on the OEB's website and shared as part of the public record in the case (case number entered by you below).

Any personal contact information (such as your telephone number, home address and email address) WILL NOT be made public on the OEB's website or otherwise shared with any person outside of the OEB.

PLEASE PRINT

\* required fields

\* Case Number: EB-2018-0028

Utility Name: ENERGY+ INC.

Circle one: Mr. Mrs. Ms. Miss Dr.

\* First Name Mr. Michael \* Last Name Stebbing

Company Name [REDACTED]

\* Email address [REDACTED]

\* Phone number [REDACTED]

\* Mailing address [REDACTED]

**Comments:** Please continue on the back of the form if necessary. In making your comment, please consider telling us what you like and do not like about the application, what you think could be improved or what you think is missing. Please tell us how you are impacted by the requested changes.

Rate Increase:

I believe that from time to time Hydro Rates increases, or components thereof, are necessary to balance revenue and costs, plus a small profit, that should be returned to customers of this publicly owned utility company (Energy Plus). Any surplus (profit) should be used to maintain the system and not be handed over to the City of Cambridge because in doing so they are creating a hidden tax. A senior member of the management informed me, pridefully, at the hearing, that they turned over more profits to the City of Cambridge than had done in the past. I found interesting in that the upper level of government, announced with great relish, that they had reduced the cost of Hydro by removing a tax. Cities should not be allowed to use the local hydro service provider as a piggy bank.  
(Continued on next page)

Michael Stebbing

Signature

22 September, 2018

Date

If you are submitting a comment on behalf of a business, any business contact information WILL be made public on this website and shared as part of the public record of the case named above.



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## Harmonization of Rates:

~~The use of the word "harmonization" to describe the proposed process is an abuse of this word. In this case what is being proposed is equalization, which is basically inflicting monetary pain on one group customers to the benefit of another group of customers. What we have here is management trying to cover up an expensive error of purchasing Brant County Hydro (whatever the original name was). To be fair to all customers and to promote harmony I feel that there should be several rates for the City of Cambridge and County of Brant parts of the system that reflect the actual costs of provide service. For example: Rate "A" for residential Customers who enjoy the befit of underground hydro supply along with ensuing extra maintenance and operating costs. Rate "B" for residential Customers who enjoy the befit of above ground hydro supply along with the required visual pollution and loss of power during ice storms. Rate "C" for residential Customers who enjoy the befit of above ground hydro supply in rural areas along with the benefits of county side living. I've been advised that supplying hydro to rural properties is the most expensive. Rate "D" and so on would be for Commercial and industrial properties and these rates should be based on the costs to supply service.~~

## Purchase of new office space in the Galt section of Cambridge:

~~The reason presented for the need for additional office space, at a estimated cost of over a million dollars, is the growth in service area, due to the purchase of Brant County Hydro. This was supposed to provide cost saving due to economies of scale. Based on the numbers provided the supposed economies of scale have not occurred and are unlikely to ever occur. Therefore, the solution, I would suggest, is to sell Brant Hydro. It is physically disconnected from the Cambridge service area by a whole township This will relieve the Cambridge Hydro customers of the burden of a harmonizing (equalization) rate increase and the high cost of a new office building.~~

**Add Attachment:**

If you are attaching any information, please provide the information below:

Name of document \_\_\_\_\_ Number of pages \_\_\_\_\_

Name of document \_\_\_\_\_ Number of pages \_\_\_\_\_



**ENERGY+ INC.**

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October 17, 2018

Mr. Michael Stebbing

Dear Mr. Stebbing:

Thank you for your Letter of Comment submitted to the Ontario Energy Board (OEB) with respect to Energy+ Inc.'s proposed Cost of Service Rate Application (the "Application") for changed rates effective January 1, 2019. We appreciate all customer feedback and the time you took to submit your comments.

You have raised a few concerns in your Letter of Comment, which Energy+ Inc. (Energy+) would like the opportunity to respond to and provide additional information, that may be helpful in gaining a better understanding of our Application.

#### **Rate Increases**

With respect to rate increases, as a regulated utility, Energy+'s profits are determined based on a rate of return, as set by the OEB. Distribution rates are set, based on the cost of providing the services to customers, plus a rate of return (profit) to its shareholders. Energy+ reinvests approximately 50% of its profits on an annual basis in the business and the remainder is paid out in the form of an annual dividend to its owners, the City of Cambridge and the Township of North Dumfries. These dividends are used to fund services such as road maintenance, public transit, parks and other municipal programs.

#### **Harmonization of Rates**

With respect to the proposed plan to harmonize the rates for Cambridge North Dumfries customers and County of Brant customers, Energy+ recognizes that under this proposal, some customers will pay more, and some customers will pay less. This adjustment, however, will ensure that all customers within a customer class are paying the same rate for the services they receive from Energy+ commencing in 2019. In making this proposal, Energy+ considered that all customers within a customer class, regardless of where they live, receive the same services, expect the same level of customer service, and expect the same levels of reliability.

In 2014, as part of the acquisition of the former Brant County Power Inc., Energy+ committed to harmonizing the rates in 2019.

Energy+ prepared a calculation of the estimated distribution rates for Cambridge North Dumfries customers, as if the amalgamation transaction with Brant County Power Inc. had not occurred. The results demonstrate that the proposed residential customer distribution rates requested in the rate application, are approximately \$1.12 less in 2019, than they would have otherwise been, in the absence of the joining together of the two utilities.

**Purchase of Office Space - Cambridge**

In the rate application, Energy+ has proposed to move administration staff to a single location, triggered by the increase of staff and expanded service territory. However, the purchase of Brant County Power, the amalgamation and subsequent creation of Energy+ has benefitted all customers. Since the amalgamation, Energy+ has achieved operating cost savings and efficiencies. By way of illustration, the 2019 proposed operating expenditures of Energy+ are \$18.6MM, compared to the 2014 combined operating expenditures of \$18.4MM, representing an increase of only 0.9% over a five-year period, which is well below inflation over the same time period. Energy+ believes that a less than 1% increase in proposed operating expenditures over five years demonstrates our commitment to successfully controlling costs, in alignment with customer stated preferences.

We encourage you to review the contents of the presentation, shared at the July 11<sup>th</sup> Community Meeting, hosted by the OEB. The presentation can be found on our website at the following link: <https://www.energyplus.ca/en/myhome/2019-cost-of-service-rate-application.asp>. The slides outline the proposed operating expenditures, capital investments, as well as information with respect to the historical and proposed Residential Distribution Charges for each service territory, from 2011 to the 2019 proposed rate change, and a comparison of Energy+'s proposed distribution rates with other local distribution companies.

I would be pleased to address any additional questions or concerns that you may have. I can be reached at [shughes@energyplus.ca](mailto:shughes@energyplus.ca) or 519-621-3530 Ext. 2638.

Sincerely,  
**ENERGY+ INC.**



Sarah Hughes, CPA, CA, C.Dir.  
Chief Financial Officer