



ENERGY+ INC.

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February 27, 2019

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

Delivered by Email, RESS & Courier

Dear Ms. Walli:

**Re: EB-2018-0028 – Energy+ Inc. 2019 Rate Application
Recent Correspondence re Proposed Embedded Distributor Rate**

We have reviewed correspondence from Board Staff filed February 22, 2019 in respect of the proposed cost allocation methodology for the allocation of costs to the embedded distributor classes (the "**Staff Letter**").

We have also reviewed the correspondence from School Energy Coalition ("**SEC**"), Consumers Council of Canada ("**CCC**"), and the Vulnerable Energy Consumers' Coalition ("**VECC**") each filed February 25, 2019 in response to the Staff Letter.

We also note that Hydro One indicated that it intends to also respond to the Staff Letter later this week.

Energy+ agrees with OEB Staff's view that Energy+'s proposed methodology with regards to the allocation of costs to the embedded distributor classes is consistent with the methodology settled and approved in its 2014 Cost of Service application.

However, Energy+ is also sympathetic to the concerns raised by SEC, VECC and CCC with regards to the broader policy implications of what has been proposed in the Staff Letter.

Energy+ filed an affidavit of service on June 6, 2018 evidencing that it had, in accordance with paragraph 2 of the Board's letter of direction dated May 28, 2018, served notice of the application directly to Energy+'s embedded distributors by email on May 30, 2018, including Waterloo North Hydro Inc.

Energy+ used the OEB's prescribed form of notice. That prescribed form does not attempt to identify all of the changes requested in a particular rate application. Rather, and sensibly, it is more generic and says things like (**emphasis added**):

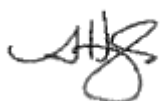
- "Energy+ Inc. has applied to change its electricity distribution rates. Learn more. Have your say."
- "The OEB will hold a public hearing to consider the application filed by Energy+. During the hearing, we will question Energy+ on its case for a rate change. We will also hear questions and arguments from individual customers and from groups that represent Energy+'s customers. At the end of this hearing, the OEB will decide what, if any, rate change will be allowed."
- "You can become an active participant (called an intervenor). **Apply by June 18, 2018 or the hearing will go ahead without you and you will not receive any further notice of the proceeding.**"

The suggestion in the Staff Letter that additional notice is required for Waterloo North Hydro Inc., simply because questions arose from a particular representative customer group (VECC) and arguments are likely to occur, appears to contradict the clear wording in the OEB's prescribed form of notice.

In this regard, it is fundamentally different from the large user rate class. The prescribed form of notice did not say that certain customer groups may file additional expert evidence, with their own proposals, that may contradict the applicant's proposals.

That said, and out of an abundance of caution, Energy+ has forwarded to Waterloo North Hydro Inc. the Staff Letter and relevant evidence in this proceeding. Please find attached a letter directly from Waterloo North Hydro Inc. in this regards.

Regards,



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

Encls.

cc: Intervenors of Record



Rene W. Gatien, P. Eng., MBA, ICD.D
President & CEO

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February 27, 2019

Sarah Hughes, CPA, CA, C.Dir.
Chief Financial Officer
Energy+ Inc.

Sent by email

Dear Ms. Hughes:

On behalf of Waterloo North Hydro (WNH), I would like to thank you for providing an update on the status of your 2019 Cost of Service Application, specifically how it relates to WNH as an embedded distribution customer. While WNH does not wish to intervene in this proceeding we would like to note our strong disagreement with updated cost allocation proposals submitted through Energy+'s Technical Conference questions, explicitly SEC 11. WNH is concerned about decisions that move away from allocation methodology which has been established and approved in previous decisions. The original methodology that was utilized by Energy+ using Appendix 2-Q from the Ontario Energy Board's Chapter 2 Appendices – Filing Requirements for Electricity Distribution Rate Applications has been collectively understood and accepted through the Cost of Service process; any proposal by a specific customer to move away from this may set a precedence for future rate applications on a broader scale.

Additionally, several of the proposed scenarios provided in SEC 11 will negatively impact WNH's customers which further supports our disagreement with any change to the proposed methodology.

Regards,

A handwritten signature in blue ink that reads "Rene W. Gatien".

Rene W. Gatien, P. Eng. MBA, ICD.D
President & C.E.O.