



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

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Michael Buonaguro
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VIA E-MAIL AND COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Re: Norfolk Power Distribution Inc. – 2008 Electricity Distribution Rate
Application (EB-2007-0753)
VECC'S Comments Regarding Proposed Rate Riders**

On August 1, 2008 the Board issued an amended Decision with respect to Norfolk Power Distribution's 2008 Rates such that the 2008 rates were to be effective July 1, 2008 and implemented September 1, 2008. The Board also directed Norfolk to develop a rate rider to permit Norfolk to recover the foregone revenue for the intervening two-month period. On August 8, 2008 Norfolk filed a revised draft Rate Order for 2008 which included a proposed rate rider.

Although the Board's August 1, 2008 Decision made no provision for intervenor input, my client (the Vulnerable Energy Consumers Coalition) has reviewed the draft Rate Order and has noted one issue that it would like to bring to the Board's attention.

In determining the foregone revenues for the period July 1, 2008 to August 31, 2008, Norfolk has used the 2007 and 2008 rates for each class inclusive of the Smart Meter Rate adder. Since the approved Smart Meter Rate Adder for 2008 is \$1.00 per meter as compared to \$0.26 per meter in 2007 this difference contributes to the calculated Distribution Revenue shortfall of \$331,736.

In VECC's view, if Norfolk includes the Smart Meter Rate adder in the calculation then a portion of the \$331,736 should be transferred to the Smart Meter Variance

account. The alternative, and perhaps a more administratively simple approach, would be for Norfolk to perform the revenue deficiency calculation using 2007 and 2008 rates, exclusive of the Smart Meter Rate adder.

If you have questions, please call Bill Harper (416-348-0193).

Yours truly,



Michael Buonaguro
Counsel for VECC

cc: Mr. A. Allim
Norfolk Power Distribution Inc.