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Thursday, September 04, 2008

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To: Office of the Secretary

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto, Ontario, Canada
M4P 1E4

9/4/08

Re: Distribution Rate Change
Low Use Secondary Use Meters Elimination
Ontario Energy Board application # EB-2008-0113
Exhibit G1, Tab 2, Schedule 6, Low Use Secondary
Customer Rate Consideration

From: Jim Rainey
1535 Westbrook Dr
Peterborough ON K9J 6R5 Fax # 705 745 3043

Via fax

I am very much opposed to Hydro One's Application to eliminate the Low Use Secondary Service Rate.

I have previously submitted to the OEB by e-mail.
I have also had a letter in response from Hydro One on the subject.
I am attaching a copy of Hydro One's letter to me, and my latest response, all for your consideration on the subject of allowing this rate class elimination.

I understand that the Oral Submission Phase for this application has passed already.
I hope that these submissions of mine are in time for consideration.

I want to stress, that in my case, I have a property which was at one time 2 cottage properties, and in the 1980's the Ontario Municipal Board made a ruling that created one lot and deed for the two cottages. We were able to take advantage of the Low Use Secondary Service Rate, and we have spent considerable money to maintain that kind of service. We are one owner, and one tenant at one address, with two buildings, and two meters, installed as per Hydro One's guidelines to receive the Low Use Secondary Service Rate. I can not sever the property.

Please read my latest intercourse with Hydro One, and make it part of your considerations on the rate class elimination.

Sincerely,

Jim Rainey
Jim Rainey

EB-2007-0681

OEB BOARD SECRETARY	
File No:	Sub File: 4
Panel	GRUPVIPS
Licensing	RM
Other	MM
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Thursday, September 04, 2008

From : Jim Rainey
1535 Westbrook Drive
Peterborough ON K9J 6R5
Hydro One account # 45391-55018

To: Penny McCuish & Miles D'arcy
Customer Relations Centre

cc: OEB
Re: # EB-2008-0113 Elimination
Low Use Secondary Service Rates

Ms. McCuish,

Many thanks for your response to my e-mails, and also for making sure that Miles D'Arcy reviewed my position.

I don't expect that we would ever be able come to an accord on this issue that would be acceptable to me. On this issue we are adversaries, Hydro One has applied for the Rate Change or Increase, and I oppose it. Hydro One is not likely going to withdraw the proposal because I think it is unfair. But it should be modified to be cost neutral to your clients.

I am generally opposed to all of the charges included as "Delivery" – I think that the whole concept of Debt Retirement Charges, Delivery Charges, and taxes on Electricity, are a form of Taxation without representation. Why do I pay a delivery charge 12 months a year when I actually turn the power off for 6 months every year at this location? The prospect of paying 2 delivery charges to one address is abhorrent to me. I know I pay Delivery Charges for 12 months because Hydro One Maintains Lines, Poles and Transformers for the whole 12 months – but that Second delivery charge that you want from me – it doesn't change your lines, poles and transformers coming to my address – I'm the one who maintains the lines, poles and so on after your transformers. Delivery charges are a cash grab, let's just face it. And I can't complain they were approved by the OEB, and there was a great need to put Hydro One on a better financial footing. But as I stated to you in my previous communications – I am one client, at one address, with one tenant. The two meter system was installed through no fault of our own, and we spent considerable money to maintain it – all to take advantage of the Low use Secondary Service rate offered by Hydro.

In your paragraph #2, you have repeated the stated reasons for the application to eliminate the Low Use Secondary Service Rate. I find it even less palatable this time. The benefits to Hydro One from increased efficiencies are one thing, but the thing not mentioned is: Massive Increased Revenues to Hydro One from Delivery Charges to many more meters. All of this increase in revenue at absolutely no expense to Hydro One, and along with it, Hydro One will not have to "Deliver" anything different at all, except a new bill with 2 delivery charges on it.

Continued...

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If I wanted to tune a motor up to make it run a little more efficiently, I would have to put something into it in the way of parts, and labour. If the OEB approves Hydro One's proposal, then eventually I get to send you almost \$400 a year more for exactly the same thing I am receiving now, and Hydro One gets the more efficient motor! The cost of "Poles, Lines and other Distribution Equipment" will not change for Hydro One at my location by one cent – but Hydro One will want almost \$400 a year more from me for the 2 meter service – which was Hydro One's rate plan and suggestion to begin with.

Phasing this in is no consolation to me at all. The only way that phasing in would be any good to me at all would be if... and only if the savings Hydro One will make were to be passed on to me, (and clients like me) and if those savings amounted to the cost of the delivery charges. Why does Hydro get the savings, when I get the expenses?

You feel that my recommendation that Hydro One finance the elimination of the second service "Would be unfair to other customers who have a similar service set up and have already financed alternative connections" Firstly, let me be clear, I don't think it would be satisfactory for Hydro to finance my service change alone, in my opinion, Hydro One should implement this elimination of a service alternative by financing all of their clients costs. Secondly, if any of your clients had the foresight to consolidate their services in the recent past, it was because they either had a better reading on what Hydro might be planning to do to them in the future, or they already saw enough savings in that kind of installation to do the consolidation at that time. Furthermore, I happen to think that if approved, and Hydro One wants to eliminate the Low Use Secondary Service Rate, then yes, Hydro One should have to entertain all the expenses related to the rate, that Hydro's clients have endured since the inception of the rate. Why do I have to pay to make your distribution network the way you want it?

Here is another recommendation that I could live with:

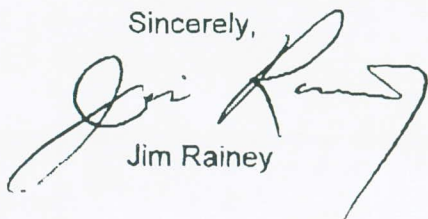
Go ahead, and eliminate the Low Use Secondary Service Rate BUT: Defer the Billing of the extra delivery charges at that address until the Hydro One Client abandons the account and a new account holder takes over.

This is a perfect solution for both of us. Existing clients would not have to spend money to consolidate the service, but if the property is sold, and someone new takes over the meters, then they will be faced with the new delivery charge for the second meter, or the option of consolidating. The point is: Your present clients would not be presented with the expense, but Hydro One would eventually get the revenue.

I have enjoyed this dialogue, and I find it has served to focus my thoughts on this issue; therefore I am going to copy this letter to the OEB for consideration.

Tell me what you think of my latest recommendation –

Sincerely,



Jim Rainey

Hydro One Networks Inc.
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185 Clegg Road
Markham, Ontario L6C 1B7
www.HydroOne.com

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(905) 946 6000
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August 29, 2008

Mr. Jim Rainey
1535 Westbrook Drive
Peterborough, Ontario
K9J 6R5

Dear Mr. Rainey,

Account: 45391-55018

Thank you for your email concerning the Low Use Secondary Service rate classification. Mr. D'Arcy has reviewed your letter and asked that I respond to you directly.

As part of our 2008 Distribution Rate Application, we have asked the Ontario Energy Board (OEB) for approval to eliminate the Low Use Secondary Service Rate classification. The reasons for this are to set distribution rates that better reflect the costs of providing services to customers, reduce the number of rate classifications we administer, align the rate structure compared to other similar customers and to reduce administration costs and create efficiencies within the company. We appreciate the impact of this change, and therefore are recommending to the OEB to phase-in the new monthly distribution service charge over five years. At the end of five years all customers with a secondary service would pay the same rate.

As stated in the letter you received, this rate was originally introduced in 1996 to mitigate the impact of a change in our rate structure at that time, and it was intended to be temporary. Other customers who have a similar set up with a second service on their property have not been given the low use secondary service rate, and our proposal will align the rates for similar customer types. Our distribution assets, including the meter, are used to provide electricity to your secondary service, and this should be reflected in a distribution service charge.

In your email you are concerned about the cost of delivering electricity to your premise as compared to the lower cost for the power that you consume. This can be the case for accounts with low consumption. The charges for delivery and for consumption are established separately, and the Hydro One delivery charge reflects the cost of poles, lines and other distribution equipment to provide power no matter the kilowatt-hours consumed.

There may be ways for you to eliminate the second service and meter and therefore eliminate this rate change. In our letter we outlined the potential to install central metering, a sub-feed service, or completely remove the service. However, these costs are not covered by Hydro One and sometimes secondary services are located too far from the primary service and not able to be changed. You can investigate the feasibility of these