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January 21, 2009

ONTARIO ENERGY BD

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

Dear Ms. Walli:

**RE: Ottawa River Power Corporation
Application for Exemptions for Section 3.2 of the Retail Settlement Code
And Section 2.2.2 of the Standard Supply Service code
Board File No. EB-2008-0289**

In reference to the January 16, 2009 e-mail, please find enclosed the responses to the Board Staff interrogatories for the above proceedings. A copy of the responses has also been sent to the intervenor of record.

If we can provide any additional information, please contact the undersigned.

Yours truly,

Douglas Fee, P.Eng.
President and CEO

Encl.



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Responses to:
Board Staff Interrogatories
Ottawa River Power Corporation
Application for Exemptions from Section 3.2 of the Retail Settlement Code
and Section 2.2.2 of the Standard Supply Service Code
E B-2008-0289

1. Please find below a summary of the payments made to the generator under the terms of the contractual agreement with Brookfield Energy for the past five years.

Historical Payments to Brookfield Energy			
	Hourly Ontario Electricity Price	Connection Fee	Total Payment
2008	2,598,646.59	110,379.84	2,709,026.43
2007	1,785,639.29	80,634.72	1,866,274.01
2006	2,762,456.50	128,369.76	2,890,826.26
2005	2,395,370.32	47,888.80	2,443,259.12
2004	2,237,747.67	128,682.24	2,366,429.91
	\$ 11,779,860.37	\$ 495,955.36	\$ 12,275,815.73

If the settlement had simply been received in accordance with section 3.2 of the Retail Settlement Code, the generator would have received \$11,779,860 over the last five years. Under the present contract, which was discussed on June 24, 2002, at a meeting at the Ontario Energy Board office, Brookfield Energy has received \$12,275,815. Present at that meeting were Board staff members Suzanne Tong and Russ Houlden, Brookfield Energy representative Paul Jutras and Ottawa River Power Corporation (ORPC), then President and Chief Executive Officer Murray Moore.

Please note that the delivery point or metering point is at Ottawa River Power Corporation's substation; therefore, there is no line loss adjustment.

2. The bill impacts that result from the pricing mechanism outlined within the contractual agreement with Brookfield Energy versus settlement, according to section 3.2 of the Retail Settlement Code, could potentially be stated simply as the \$495,955 connection charge over the last five years. Specifically, during 2007, this would have equated to an annual amount of approximately \$3.62 per residential customer.

When looking at the bill impacts that result from this pricing mechanism, however, another view should be taken. This connection charge is only paid to Brookfield when they are generating during ORPC's peak demand from Hydro One; thus, saving customers from paying the full transmission charges that would have been paid to Hydro One. Because the connection charge paid to Brookfield represents only one-half the 2002 transmission charges from Hydro One, the customers of Ottawa River Power Corporation have essentially received a savings of \$495,955 over the past five years.

3. The current contract allows for a fixed connection fee. Ottawa River Power Corporation anticipates that the delivery rate negotiated between the parties of the contractual agreement will be a fixed percentage of the approved HONI rates.
4. Ottawa River Power Corporation will not be paying any low voltage charges in addition to network and connection transmission charges
5. Ottawa River Power Corporation is seeking to renew the agreement for a period of five years.
6. Based on discussion regarding the contract at the June 24, 2002 meeting between Board staff, Brookfield Energy and ORPC, Ottawa River Power Corporation did not seek an exemption in the past. At that time, it was agreed that the two parties could enter into such an agreement. It is our understanding that no direction resulted from the meeting to make application for an exemption.

After commencing discussions with Brookfield Energy in 2007 to renew this agreement, the issue of sharing additional charges (like the wholesale market charge) arose. At that time a letter was written to the board requesting clarification on the sharing of existing (transmission charges and the wholesale market charge) or future charges that are not charged to the utility when the load is supplied from Brookfield Energy versus Hydro One. It was then that a compliance order to disconnect from Brookfield Energy was issued, and eventually the exemption was sought.

January 21, 2009