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January 9, 2009

VIA MAIL and E-MAIL

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

Dear Ms. Walli:

**Re: Procedural Order No. 2
Lakeland Power Distribution Ltd.
Application for 2009 Electricity Distribution Rates
Board File No. EB-2008-0234**

The following are the submissions of the Vulnerable Energy Consumers Coalition (VECC) on the procedural issues identified in the Board's Procedural Order No. 2 issued January 5, 2009:

a) Whether further discovery is required, either in the form of further interrogatories or a technical conference;

VECC has reviewed the interrogatory responses of the Applicant and submits that further discovery is warranted in this case, in some cases due to the lack of a complete response and in other cases due to the response provided giving rise to further issues. In support, VECC offers the following examples with respect to specific first-round IR responses provided by the Applicant.

Response to VECC #4 a) – The original response just provided an updated projection based on the revised model specification. It did not provide either the model results themselves (similar to Exhibit 3/Tab 2/Schedule 2, page 3) or the statistical validity (i.e., R2 value) of the estimated model.

Response to VECC #4 b) – The response suggests that OEB #22 provides a revised load forecast based on an updated economic outlook. However, OEB #22 does not appear to make any reference using an updated economic forecast. Clarification is required. Also, the revised Exhibit did not include an updated version of Appendix B.

Response to OEB #25 a) – More information is needed as to why the loss factor used to determine the actual billed quantities was changed and why an adjustment of 1.0428 was used for each year.

Response to VECC #4 h) – The response did not provide the LPD values for 2008 and 2009 as requested (using a comparable billed/purchased basis).

Response to VECC #4 i) – Based on these results a question arises as to whether LPD wishes to update its customer count forecast for Residential or GS>50 customers. Also, the Street Light count reported here does not reconcile with the values in the original application.

Response to VECC #7 c) – The requested output sheet has not been provided.

Response to VECC #13 a) – The response did not fully address the IR in terms of indicating whether three-year capital budget plans were updated annually (or were overlapping and subject to subsequent updating) and, if so, providing a copy of the previous budget.

Response to VECC #18 a) – While the response did provide the amount spent to date on the 10 MVA substation, the requested breakdown of the spending between contributed capital and utility invested capital was not provided.

VECC's view is that further discovery is required but that it would be most cost effectively undertaken in the form of written responses to a further round of interrogatories.

b) Whether a settlement conference would be appropriate; and

VECC does not believe that a settlement conference would be justified in terms of expected costs and benefits.

c) Whether a written or oral hearing is preferred.

VECC's view is that a written proceeding would suffice and be more cost effective than an oral proceeding in this case.

Yours truly,

Michael Buonaguro
Counsel for VECC

cc: Margaret Maw, Lakeland Power Distribution Ltd.