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January 14, 2009

Ms. K. Walli
Board Secretary
Ontario Energy Board
26th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: Innisfil Hydro Distribution Systems Limited
Board File EB-2008-0233**

Innisfil Hydro Distribution Systems Limited (Innisfil) has received notice that a late request has been filed with the Ontario Energy Board (OEB) from the advocacy group Rogers Cable Communications Inc. (Rogers) to register as an Intervenor for our 2009 rate application.

We are requesting the Intervenor request be denied on the following grounds:

1. Rogers request to be granted Intervenor status is late in Innisfil's 2009 rate application process and Rogers was given ample opportunity to register as an Intervenor within the rate application review process as noted:
 - a. Innisfil Hydro filed the 2009 rate application on August 15, 2008 per the OEB directed deadline.
 - b. On September 9, 2008, the OEB publish the Notice of Application and Hearing for an Electricity Distribution Rate Change for Innisfil. The Notice of Application requested those parties wishing intervenor status to send a letter of intervention. Such a request was not made by Rogers at that time.
 - c. The OEB Issued Procedural Order No.1 on October 6, 2008 advising that written interrogatories were to be filed and delivered by October 28, 2008 and a listing of registered Intervenor was provided within the Order. Rogers was not listed as a registered intervenor as request for Intervenor status was not received by that time.
 - d. The OEB issued Procedural Order No. 2 on October 22, 2008 requesting Innisfil's response regarding if a technical hearing was necessary at that stage of the process. The OEB also clarified which organizations had requested Intervenor status and Rogers was not one of the organizations listed.

- e. The OEB issued Procedural Order No. 3 on November 26, 2008 requesting Innisfil, Board staff and for all parties to provide response if further discovery was required, whether a settlement conference would be appropriate and whether a written or oral hearing is preferred. Rogers did not provide any input or request for Intervenor status at that time.
 - f. The OEB issued Procedural Order No. 4 on December 15, 2008 to allow Intervenors or Board staff to ask clarification questions to existing interrogatories and new questions to information filed on December 8, 2008 to be responded by December 16, 2008. Rogers did not provide any input or request at that time.
 - g. The OEB issued Procedural Order No. 5 on January 9, 2009 ordering written submissions from the Board staff that are due January 30, 2009 and parties wishing to make a submission are due by February 6, 2009. Rogers made a request for late intervention on January 9, 2009 citing evidence provided by Innisfil in the 2009 application filed August 15, 2008.
2. Rogers is citing in Innisfil's application that the evidence states: *It should be noted Innisfil Hydro proposes to meter all customers in the USL customer class. It is expected most customers will be metered during the implementation of smart meters which is scheduled to take place by December 31, 2010.*

The issue of metering USL customers is not expected to be addressed until 2010 when smart meters are installed. At that time, Innisfil will be submitting a smart meter rate adder application to recover the cost of smart meters. The issue of metering USL customers can be addressed at that time when Innisfil will have a better understanding of whether such a practise will be implemented. Since this is more of a 2010 issue it is Innisfil's view that it is out of scope for the 2009 rate application.

3. Rogers is citing Innisfil's filed evidence indicates a rate increase for USL customers in excess of 10%. This reflects the movement to a revenue/cost ratio that is in line with the Board's direction regarding the appropriate range of revenue/cost targets outlined in the Board's report on cost allocation dated November 28, 2007. It is within the Board's discretion to determine if the bill impacts for USL resulting from implementing the results of the cost allocation study are appropriate. It should be noted that streetlight and sentinel lighting customers will also have a rate impacts in excess of 10% due to the implementation of the cost allocation study.

In the Board Staff IR No. 9.3b, Innisfil provided the following rational for metering the USL class:

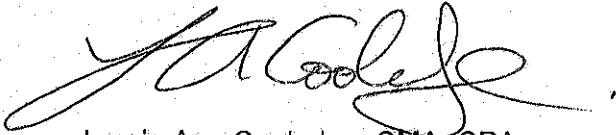
Unmetered scattered loads supply telecom amplifiers, railway crossings, traffic lights, cross-walks, traffic signs, phone booths, billboards, MTO weather stations etc. It will not be practical to eliminate all USL customers so this rate class would not be eliminated. Innisfil Hydro proposes to meter as many USL devices as practical. A number of these USL devices

utilize electric heat to maintain electrical components during cold weather, which energy usage may not be reflected in the energy estimation. By installing smart meters on USL devices, those customers would pay for their actual energy usage at the appropriate TOU rates instead of their energy usage contributing to Innisfil Hydro's line losses, paid for by all other rate classes.

4. Innisfil has worked diligently to provide and meet the deadlines of filing the rate application including the 1st and 2nd rounds of interrogatories as requested by the OEB. If Rogers' request for Intervenor status would be granted by the OEB, Innisfil would request that Rogers ability to introduce new evidence not be allowed in order to mitigate any impairment for Innisfil to provide a response to Rogers' written submission.

If you require further information please contact the undersigned at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Cooledge", with a stylized flourish at the end.

Laurie Ann Cooledge, CMA, CPA
CFO/Treasurer