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**ONTARIO ENERGY BOARD**

*EB-2006-0087*

OEB BOARD SECRETARY	
File No:	Sub File: <i>8</i>
Panel	<i>Martine, Marika</i>
Licensing	<i>Ted A.</i>
Other	
00/04	<i>1 HC</i>

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October 19, 2006

**BY FACSIMILE TO: 416-440-7656**

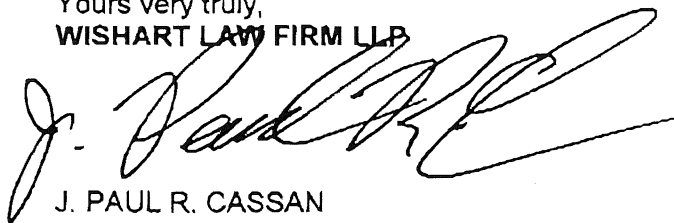
ONTARIO ENERGY BOARD  
P.O. BOX 2319  
2300 YONGE STREET  
SUITE 2700  
TORONTO, ON M4P 1E4

Dear Sirs: *to 14/10*

**Re: File No. EB-2006-0087  
Algoma Coalition – Distributor Licence Intervention  
Submissions  
Our File No. 12524-1**

Attached please find the submissions of Algoma Coalition for your review and filing.

Yours very truly,  
**WISHART LAW FIRM LLP**



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Copy to: Intervenors

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c.15, Schedule B;

**IN THE MATTER OF** a generic proceeding initiated by the Ontario Energy Board pursuant to section 74 of the *Ontario Energy Board Act, 1998* to amend the licenses of electricity distributors to make provision for methods and techniques to be applied by the Board in determining distribution rates for licensed electricity distributors.

### **SUBMISSIONS OF ALGOMA COALITION**

1. The Algoma Coalition is a group of large energy consumers, primarily Municipalities, within Algoma District.
2. The Coalition is mindful of the desire of the Board to design an efficient and streamlined process for distribution rate setting. However, the Coalition has serious concerns based on the last several years of experience with the current system that not all distributors are able to follow the procedures laid out by the Board and so the Coalition is gravely concerned that to allow longer unsupervised periods for distributors will result in a significant accumulation of issues over the three year period that will yield unstable rates and much more serious concerns about the conduct of the distributors in this situation.
3. There are two primary issues for this:
  1. Allowing distributors a three (3) year period between Applications allows a significant period of unsupervised time to expire without an opportunity for customers to intervene in an Application and obtain assistance from the Board if problems arise.
  2. Although there is the possibility of a customer or stakeholder bringing an Application to the Board, to do so is at the customer's expense. This financial burden could result in customers not being able to properly have their concerns addressed in front of the Board.
4. As context to these concerns, the Coalition has experience with a Transmitter that agreed to look at the deeming of 44 kV assets in a Distribution Application that was to be filed by the distributor in 2006. Unfortunately, the distributor did not file a Cost of Service based rate application in 2006 and the customers therefore have not had an opportunity to bring this issue before the Board, notwithstanding the representations of the Transmitter and the reliance of the customer on those representations at the time of settling the Transmission Application.

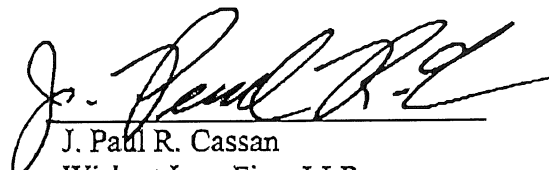
5. The Coalition has experience with other issues and orders from the Board not being followed promptly or at all by a Distributor and the ability of the Distributor to operate unsupervised for three years without having an Application in which the customer can intervene requires the customer to either pay the bill for the Application or bear an unsatisfactory and non-complying situation until the next Application is heard by the Board.

6. Retroactivity of Rate Applications is not presently possible under the current regime. The Coalition is concerned about problems that exist or are created during the three year period will be dealt with to ensure that fair and equitable rates are provided for to the customers.

7. Another issue of the interest to the Coalition is the process used by the Board to divide the distributors into the three (2008, 2009 and 2010) Application groups. The Coalition requests an opportunity to make further submissions on this issue once information on the proposed division mechanism is provided.

8. Over recovery by the utility is an issue of concern to the Coalition. There does not seem to be a mechanism for the customers to understand or see over recovery accounted for during the rate setting process.

Dated: October 18, 2006

  
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Pages: 4

File #:

Date: October 19, 2006

Re: EB-2006-0087

Time

Urgent

For Review

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Sender: Lynda McMillan