



P.O. Box 2140
855 Confederation Street
Sarnia, Ontario N7T 7L6
Tel: (519) 337-8201
Fax: (519) 344-6094

December 8, 2006

Ms. Kirstin Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Re: Bluewater Power EB-2006-0268

Dear Ms. Walli:

This letter is in response to the request for comments regarding the Comparison of Distributor Costs issued as part of the Board's multi-year Rate Plan.

We understand that the Board is considering ways to group Distributors in a way to determine commonalities and to determine outliers, which ultimately could be used as a screening tool for rebasing proceedings.

With respect to the examination of costs, this process will only be meaningful if the Board ensures that all Distributors have interpreted the Uniform System of Accounts ("USofA") in the same manner. Since the inception of the USofA, Distributors have been striving to allocate costs to the "correct" account, but it was conceivable that there would be differences in interpretation amongst Distributors. During the major reviews undertaken as part of the 2006 EDR process and the cost allocation process, the interpretational inconsistencies between Distributors became apparent.

...continued

Therefore, in the same manner that the 2006 EDR process allowed the opportunity for Distributors to review data previously submitted to the OEB, it is critical that the 2002 to 2005 data previously submitted by Distributors be reviewed and costs reallocated (without changing the total) if necessary to ensure that the allocation of costs is accurate and consistent across the province. If the Board does use Operations & Maintenance, Administration, Bad Debt and Amortization as the cost centers for comparison purposes, all Distributors should ensure that, in the least, the split of costs reflect those categories based on a consistent approach.

Thank you for the opportunity to provide these comments.

Sincerely,

A handwritten signature in blue ink that reads "L. Dugas".

Leslie Dugas
Regulatory Affairs
Bluewater Power Distribution Corporation
Email: ldugas@bluewaterpower.com
Phone: 519.337.8201 Ext 255