

The Alliance

representing
Aurora, Innisfil, Newmarket,
North Bay, Orillia, Parry
Sound, and Tay LDCs

OEB 2006 Distribution Rates

Initial Consult on Issues

July 6 and 7, 2004

High Level Viewpoint

Our presentation is just a few points on the BIG picture of PBR and LDC rate setting.

We are not prepared at this time to provide detailed input on the 33 potential issues for generic methodology review, but we expect to provide written input

Light Handed PBR

- The next rate process should be “light handed”
- Such as a very short list of parameters that an LDC must perform within
- Any exceptions to the list of parameters would be dealt with in a detailed manner

Useable By All

- Whatever process is established it should be easily usable by small, medium and large LDCs
- Or even suitable for the small and medium LDCs, with the large LDCs having to use the OEB oral/written hearing process, similar to the gas distributors

Simple Spreadsheet

- A simplified spreadsheet with “fill-in-the-blanks”
- Gathers necessary information for the OEB to determine if the short list of parameters are being adhered to

RP-1999-0034: PBR I

- Issues stated in the OEB Decision with Reasons should be respected:
 - Cost allocation studies required before PBR II
 - PBR II should be based on cost causation principles
 - A mid-term review of PBR I to help design PBR II

Demand Side Management

- The new process should take into account the DSM programs and their costing

Multiple LDCs

- The existence of many LDCs are required to make PBR II work. There needs to many comparators
- PBR ensures efficiencies

Thank You

Jim Richardson

on behalf of

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