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February 25, 2005

Mr. John Zych
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
26th Floor
Toronto, Ontario,
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Dear Mr. Zych:

Barrie Hydro Distribution Inc. (license # ED-2002-0534) submits the following as a Responding Submission re RP-2004-0188 concerning the 2006 Electricity Distribution Rate Handbook.

In review of the submissions filed we would like to indicate our support for the comments made by Hydro Ottawa concerning section 5.4 Working Capital Allowance (page 10 of their submission). We agree that Additional Adjustment Alternative 2 should be selected for inclusion in the final rate handbook. This alternative states that customer deposits should not be deducted from the calculation of working capital allowance. We also support the comment made by Hydro Ottawa that if the Board rules that customer deposits should be deducted from the working capital allowance, that a revised 2005 customer deposit balance be allowed in the calculation. This would account for any changes in customer deposit balances brought about by the new requirement in 2005 to refund customer deposits.

We support Power Stream's position re section 6.2.2 Bad Debt Expense (bullet 17, page 9 of their submission) which states that material bad debts should not be removed from the actual 2004 Bad Debt Expense. As a compromise position we would support Energy Cost Management Inc.'s (ECMI) comments on page 10 & page 30 of their submission. Under the heading Non-Routine /Unusual Tier 1 Adjustments (page 10) they support the Tier 1 adjustment to remove any material bad debts from the 2004 test year. On page 30 of the ECMI submission, under the section 6.2.2 Bad Debt Expense they propose that any 2004 material bad debts removed be treated as a Z factor and recovered as a Z factor rate rider.

In both Hydro Ottawa's submission (page 4, bullet 3) and Power Stream's submission (section 4.2 Amortization Rates, bullet 5, page 4) they comment on the absence of Amortization Expense accounts in the description of Distribution Expenses. We would request as well that the list of UsoA accounts to be included in Distribution Expenses (Appendix E) be updated to include the appropriate Amortization Expense accounts. We note that the Amortization Expense accounts are included in Distribution Expenses in the Draft Rate Model.

In the Electric Safety Association (ESA) submission they comment in section 15.2.1 of the Draft Rate Handbook that the standard for Underground Cable Locates should move towards a two day standard from the current five day standard. We would suggest that for the 2006 Draft Rate Handbook that the standard be left at five days. If in the future it is determined that this standard needs to be reduced we would suggest a reduction to three days as opposed to two days.



We respectfully submit these comments for the Board's consideration.

For additional information regarding this submission, Stephen Perry may be contacted at 705-722-7244 ext 278, sperry@barriehydro.com.

Yours truly,

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