



Association of Major Power Consumers in Ontario

July 8, 2005

Mr. John Zych
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
26th Floor
Toronto, Ontario M4P 1E4

Dear Mr. Zych:

Re: Cost Allocation Review EB-2005-0317

As requested in your June 24, 2005 letter to Licensed Electricity Distributors and Electricity Stakeholders, the Association of Major Power Consumers in Ontario ("AMPCO") herein submits its request for eligibility for stakeholder funding in order to participate in the Ontario Energy Board (Board) sponsored process to review cost allocation in the electricity distribution sector.

I. Participant's Interest and Receipt of Instruction:

AMPCO is a province-wide industry organization that advocates competitive electricity prices and promotes an adequate and reliable supply of electricity for all customers. AMPCO's some 55 members, comprising the largest industrial electricity consumer advocacy group in Canada, represent a wide range of resource, manufacturing and processing industries that use very large amounts of electrical energy (over 5 MW of demand each). Collectively AMPCO members consume some 17% of the province's annual electricity supply (approximately 25 TWh of electricity annually), consumption worth well in excess of \$1 billion to the Ontario economy. AMPCO and its member companies are well known to the Board.

Many AMPCO members are Large Users of LDCs other than Hydro One or Direct Customers of Hydro One supplied through the Hydro One LV system. These members will be affected by the cost allocation methods required by the Board for electricity distributors.

AMPCO has taken a particular interest in the cost allocation issue because of the wide variation in distribution rates paid by Large Users and Hydro One LV Customers that seem to be unrelated to the cost of service. The attached letter to the Acting Board Secretary dated July 13, 2004 shows that similar Large Users can be charged anywhere from a low of \$1,983 (Kingston) to a high of (\$32,823 (Oakville) for the same service.

AMPCO representatives receive their instructions from the AMPCO Board which is elected by the AMPCO members to represent their interests. The President of AMPCO has daily contact with many AMPCO members and communicate with the Executive Committee of the Board of Directors on a frequent basis, and no less than once per week, typically via conference calls and/or face-to-face meetings. Important issues are debated among the executive members under the President's or the Chairman's facilitation, and policy decisions are made generally by consensus

management. Instructions with respect to this proceeding will primarily come via this method. Approximately six to eight times per year, AMPCO holds a meeting of its Board of Directors, during which important electricity and energy issues are debated and policy decisions are made; this is influenced by the ongoing work of the Executive Committee and the President.

AMPCO communicates with members on current issues via newsletters and emails, as well as via the members-only section of the organization's website; members typically provide direct feedback on such issues via email and phone calls; as well, AMPCO holds two formal members' meetings per year, during which information on current issues is shared.

AMPCO's participation is important because without it there would be nobody to represent the interests of the Large Users.

II. Participation:

AMPCO intends to participate in all four Major Consultation Stages as defined in Appendix B to your June 24th letter.

AMPCO wishes to be represented by a consultant in Stage a), the Technical Advisory Team. By separate email, AMPCO has proposed that Ken Snelson be a member of this team with Wayne Clark as his alternate. Both are experienced consultants active in the industry and their CVs are attached. AMPCO proposes that Mr. Clark attend when Mr. Snelson is not available.

AMPCO is also seeking funding for attendance at the Technical Workshops, Stage b) and expects to prepare submissions for both Stages c) and d).

AMPCO understands that participation in all stages is eligible for funding as set out in Appendix B to your June 24th letter.

III. Co-ordination with Other Parties of Like Interest:

AMPCO has traditionally worked collaboratively with many stakeholders to try to affect the course of public policy, through the development of practical policy solutions. However, AMPCO does not expect that any other party to this process will represent the specific interests of large industrial users. If one or more large industrial takes part in the process to represent their specific interest, AMPCO will attempt to coordinate with them to avoid duplication.

Yours truly,



Mike Kuriychuk
Chairman
Association of Major Power Consumers in Ontario

c.c.: Ken Snelson
Wayne Clark