



June 6, 2006

via e-mail: [boardsec@oeb.gov.on.ca](mailto:boardsec@oeb.gov.on.ca)

Mr. Peter O'Dell  
Assistant Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
Toronto, Ontario, Canada  
M4P 1E4

Dear Mr. O'Dell:

**RE: COST ALLOCATION REVIEW – BOARD FILE EB-2005-0317  
BOARD STAFF PROPOSALS**

Energy Advantage Inc. acts as regulatory consultants to CBS Outdoor Canada (formerly Viacom Outdoor Canada) ("CBS"), Ontario's largest provider of billboard advertising space and transit shelters.

CBS currently receives electricity bills from approximately 50 Ontario LDCs with respect to low load metered and unmetered scattered loads. Most of the billboard sites are photo-sensitive.

The fixed monthly delivery charge component, of both metered and unmetered billings received by CBS, varies dramatically for the various LDCs across Ontario, suggesting that no serious effort has been made to establish a cost basis for such billings. By way of example -the monthly USL fixed charge component of the delivery charge at Horizon Utilities - Hamilton Hydro appears to be less than 1/10 of that of nearby Oakville Hydro.

CBS is supportive of reforms to the generic LDC cost allocation process which would move very small, highly predictable, and generally off peak loads from monthly metered to monthly unmetered billing rates which recognize:

- a) the cost avoided related to the capital cost of meters;
- b) the cost avoided related to the operating and billing cost of meters; and
- c) the absence of any correlation of such loads with summer peaks and low correlation of such loads with winter peaks.

As a secondary position only, CBS is supportive of cost allocation reforms which would require LDC monthly fixed delivery charges, absent probative evidence of special cost considerations, to conform to the average of the lowest 3 LDCs.

With respect to the specifics of the Board Staff Proposal:

1] p.5 point 3. and p.7 last paragraph. CBS is concerned that the proposed methodology may not fully recognize the cost benefits associated with points a),b), and c) above. While there is no objection to the methodology proposed it is assumed that opportunity will be provided at the hearing to submit that adjustment to the initially indicated rates may be required.

2] p.6 point 1). CBS supports the treatment of photo-sensitive and non photo – sensitive USL loads together. As noted above it may be more appropriate in some cases to permit movement of some GS <50kW rate accounts to the reformulated USL rate.

Yours truly,

William T. Houston  
Vice President and General Counsel

c.c. Nadine Schiratti  
Director of Finance  
CBS Outdoor Canada