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### **BY RESS and EMAIL**

July 21, 2011  
Our File No. 20100131

Ontario Energy Board  
2300 Yonge Street  
27<sup>th</sup> Floor  
Toronto, Ontario  
M4P 1E4

### **Attn: Kirsten Walli, Board Secretary**

Dear Ms. Walli:

### **Re: EB-2010-0131 – Horizon 2011 Rates**

We are counsel for the School Energy Coalition. Pursuant to the Board's Decision and Order in this matter, we set out below our preliminary comments on the Draft Rate Order.

We have reviewed the detailed comments from Energy Probe, filed today. We note that most of those comments seek further information. We agree with and support the Energy Probe comments.

In particular, we note that the Applicant does not appear to have provided full information on all of the adjustments to its revenue requirement. This is especially disconcerting given that, when the Decision and Order was first released, our preliminary estimate was that the deficiency would be about \$10 million. To see a rate order that proposes a \$14 million deficiency was, frankly, a surprise. While initial estimates are often not accurate (intervenors are not in a position to do the detailed calculations), this level of disparity was unusual.

Thus, when the Draft Rate Order was provided, we sought to reconcile our initial estimate with the DRO, but we were unable to do so. There was insufficient information in a number of areas for that purpose. For example, as Energy Probe has pointed out there are several parts of the rate base calculation that are still unclear, affecting cost of capital, amortization expense, and PILs.

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We therefore ask that the Board order further details of the calculations, and then provide intervenors with an opportunity to review those details and provide comments before finalization of the rate order.

All of which is respectfully submitted.

Yours very truly,

**JAY SHEPHERD P. C.**

  
Jay Shepherd

cc: Wayne McNally, SEC (email)  
James Sidlofsky, BLG (email)  
Maureen Helt, OEB (email)  
Interested parties (email)