



BY EMAIL and RESS

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April 11, 2018
Our File No. EB-2016-0085

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2016-0085 – InnPower 2018 Rates

We are counsel for the School Energy Coalition. Pursuant to Procedural Order #9, these are SEC's submissions with respect to the revised Draft Rate Order of the Applicant filed April 9, 2018.

As the Board will be aware, after the DRO filed March 26, 2018, SEC did an initial review, and then discussed the document with OEB Staff. Since SEC expected that OEB Staff would propose a refiled DRO, SEC did not take its initial review further to the point of making substantive submissions, as this would have been wasted time and costs if a new DRO was being filed.

SEC has now reviewed the revised DRO.

Based on the revised DRO, SEC has the following comments:

1. Page 26. The deficiency listed under "Settlement Agreement" does not appear to be correct. It would appear to us that it should be \$2,626,659, consistent with the previous table.
2. Page 34. The GS>50 impacts, which would include schools, only list those customers under RPP. Since most GS>50 customers, including schools, are non-RPP, a page with this listing should also be included, as per the Board's standard practice.

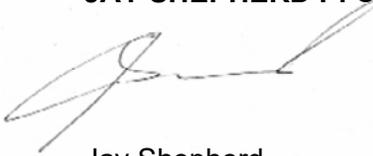
3. Page 49. The accounting order for affiliate revenues refers to “actual revenues”. We believe that this misses the point of the audit ordered by the Board. The audit is to determine the costs to serve affiliates, and therefore the appropriate charges to those affiliates. The “actual revenues” are driven solely by the non-arms-length agreement between the Applicant and its related company. This is not what is supposed to be measured. Once the actual costs are determined by the OEB Staff audit, the correct charge consistent with ARC will be apparent, and it is that charge that is key here. Therefore, we believe that the phrase “actual revenues” should be replaced with “appropriate revenues” in the two places where it is used.

4. Page 56. These appendices appear to be included twice.

SEC notes that the revised DRO still discloses distribution rate increases for schools in the order of 25%, excluding the impact of the foregone revenue rate rider. This is a significant amount, particularly in light of this utility’s existing high rates, and our clients are understandably concerned. However, in the unusual circumstances of this case, it is not an unreasonable level, and it is consistent with the Board’s Decision.

All of which is respectfully submitted.

Yours very truly,
JAY SHEPHERD P. C.



Jay Shepherd

cc: Wayne McNally, SEC (email)
Interested Parties