



**PUBLIC INTEREST ADVOCACY CENTRE**  
**LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC**

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**VIA MAIL and E-MAIL**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: EB-2010-0142**  
**NOTICE OF APPLICATION AND HEARING FOR AN ELECTRICITY**  
**DISTRIBUTION RATE CHANGE**  
**Toronto Hydro-Electric System Limited**

With respect to the draft issues list, VECC makes the following submissions:

*4.3 Are the inputs used to determine the Working Capital component of the Rate Base appropriate and is the methodology used consistent with the methodologies approved by the Board in previous Toronto Hydro rate applications?*

As framed the issue suggests that consistency with methodologies used in previously approved Toronto Hydro rate applications is determinative of the issue; in VECC's view consistency with previous decisions is never determinative. While the underlined part of the issue may very well be the basis upon which the Board is asked to approve the methodology used by Toronto Hydro in this proceeding, in VECC's view the proper issue to be determined is whether "the methodology used appropriate?"

*5.2 Is the proposed Long-Term Debt Rate appropriate?*

*5.3 Is the proposed dollar cost of Long-Term Debt appropriate after having regard to the transaction undertaken by the holder of the \$490 million promissory notes in March 2010?*

VECC presumes that the addition of issue 5.3 is intended to highlight a specific issue relevant to the calculation of the appropriate Long-Term Debt Rate pursuant to issue 5.2; VECC has no particular concern with the addition of issue 5.3 so long as it is not interpreted to limit the scope of the examination with respect to the appropriateness of the costs claimed by THESL in relation to its' Long-Term Debt.

*General*

VECC presumes that, as is normally the case, all of the evidence put forward by the applicant in support of its application is appropriately the subject of interrogatories, cross-examination, and submissions.

*Oral vs. Written Hearing*

VECC respectfully submits that the appropriate point to make submissions on whether particular issues may not require an oral hearing would be after the interrogatory process, and is usually usefully canvassed as part of the settlement conference process.

Thank you.

Yours truly,

Michael Buonaguro  
Counsel for VECC