

**Ontario Energy
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**Commission de l'énergie
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BY E-MAIL ONLY

December 1, 2010

Mr. Michael Buonaguro
Counsel
c/o Public Interest Advocacy Centre
34 King Street East, Suite 1102
Toronto, ON M5C 2X8

Dear Mr. Buonaguro:

**Re: Innisfil Hydro Distribution Systems Limited ("Innisfil")
2011 Incentive Regulation Mechanism (2011 IRM) Rate Application
Board File Number EB-2010-0093
Notice of Intervention of the Vulnerable Energy Consumers Coalition
("VECC")**

In a letter dated November 16, 2010, the Board confirmed VECC as an intervenor in the above noted proceeding and determined that VECC is eligible to apply for an award of costs in relation to Innisfil's proposal for revenue-to-cost ratio adjustments. Both Board determinations were made subject to Innisfil's right of reply within 14 calendar days of VECC's requests.

On November 24, 2010, the Board received a letter from Innisfil objecting to VECC's intervention request. In particular, Innisfil questioned the added value that VECC could provide to Innisfil's ratepayers with respect to the 2011 IRM revenue to cost ratios at this point in time and recommended that VECC's remaining questions on cost allocation be put forth in the Board's current Cost Allocation review process (EB-2010-0219) and not in Innisfil's 2011 IRM rate application. Innisfil provided background information in support of its objection.

The Board has considered Innisfil's concerns, but finds that it is premature to determine the value of VECC's participation in this proceeding. Therefore, and in accordance with the Board's Practice Direction on Cost Awards, the Board confirms VECC as an intervenor in this proceeding and re-iterates its determination that VECC is eligible to

apply for an award of costs in relation to Innisfil's proposal for revenue-to-cost-ratio adjustments.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

c: Brenda Pinke, Regulatory/CDM Officer, Innisfil Hydro Distribution Systems Limited