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BY EMAIL AND COURIER

December 21, 2007

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

Dear Ms. Walli:

**Re: EB-2007-0713
Hydro Ottawa Limited – Application for Interim Rates
Submissions of the School Energy Coalition (“SEC”)**

These are the submissions of the School Energy Coalition regarding Hydro Ottawa Limited’s (“Hydro Ottawa”) application to have its distribution rates declared interim as of January 1, 2008.

SEC is opposed to Hydro Ottawa’s application. Rates for the January 1-April 30, 2008 period have already been determined by the Board. Hydro Ottawa has provided no authority for its proposal to declare rates interim part way through an existing rate year. Its only rationale is that its test year is calendar 2008 and its current rate year is May 1 to April 30.

The incongruity between the calendar year and rate year is an issue faced by all distributors in the province. If the relief requested by Hydro Ottawa is granted, it could create an asymmetry in the regulatory process: those distributors who are seeking a rate increase for 2008 would presumably ask that their 2007 rates be increased for the January 1 to April 30 period of their 2007 rate years while, conversely, those distributors anticipating a rate decrease for 2008 would likely not seek such an order and rates for those distributors would stay in place until April 30.

The possibility that 2007 rates would be adjusted as of January 1, 2008 is clearly at odds with the Board’s intent in the incentive regulation framework. In the Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario’s Electricity Distributors, for example, the Board said that the incentive regulation framework was

expected to be in place for three years, but that distributors “whose rates will be rebased in 2008, will have this mechanism in place **for one year.**” [pg. 23; emphasis added] In Hydro Ottawa’s case, that would mean a period of May 1, 2007 to April 30, 2008.

In SEC’s submission, there is no basis for providing Hydro Ottawa with relief that is contrary to the clear intent of the Board as expressed in the 2nd Generation Incentive Regulation framework.

All of which is respectfully submitted.

Yours very truly,
SHIBLEY RIGHTON LLP

Original signed

John De Vellis
Counsel to the School Energy Coalition

c.c. Ms. Lynne Anderson, Hydro Ottawa (email only)
Intervenors of Record (email only)