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BY EMAIL and RESS

July 13, 2011
Our File #20100141

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2010-0141—St. Thomas Energy Inc. - Draft Rate Order

We are counsel for the School Energy Coalition ("SEC"). We have reviewed the Draft Rate Order of the Applicant, filed July 7, 2011, and have the following comments:

1. Under the Settlement Agreement, Exhibit 10, the Lost Revenue Adjustment Mechanism ("LRAM") was amended from the original filing amount of \$370,915.43 to \$364,220.06. This amended amount included in the Settlement Agreement is not reflected in Appendix G of the Draft Rate Order. This appears to have resulted in an incorrect calculation of the LRAM rate rider.
2. We have reviewed the letter of Board Staff dated July 13th and agree with the views expressed with respect to STEI's revised rate riders for Group 1 deferral and variance account balances, which had been originally approved by the Board in the 2010 IRM proceeding. The changes were not described in the pre-filed evidence, nor discussed in the Settlement Agreement. The filing of the Draft Rate Order is not a time to raise changes that have been neither ordered nor agreed. SEC submits that the second solution suggested by Board Staff would appear to be the correct approach and that the Board should leave the existing rate riders as they are, and any over or under-recovery be addressed in 2014 as part of the disposition of account 1595.

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All of which is respectfully submitted,

Yours truly,

Originally signed by

Mark Rubenstein

cc: Applicant and Intervenors