

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

November 16, 2011

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

Dear Mr. Buonaguro:

**Re: Bluewater Power Distribution Corporation ("Bluewater")
2012 Incentive Regulation Mechanism Rate Application
Board File Number EB-2011-0153
Notice of Intervention of the Vulnerable Energy Consumers Coalition
("VECC")**

The Board confirms VECC as an intervenor in the above noted proceeding, subject to Bluewater's right of reply to your request within 14 calendar days from the filing of your notice of intervention.

The Board has determined that VECC is eligible to apply for an award of costs under its *Practice Direction on Cost Awards* (the "Practice Direction") in relation to Bluewater's proposal for lost revenue adjustment mechanism ("LRAM") and revenue-to-cost ratio adjustments. The Board expects that cost claims in relation to revenue-to-cost ratio adjustments will be made only for matters that go beyond the implementation of previous Board Decisions.

With respect to the disposition of account 1562, the Board will not consider cost awards at this time as the application as filed appears to have no material inconsistencies with the various decisions made in the course of the Combined PILS proceeding (EB-2008-0381) including the use of the updated models containing the Excel worksheet 'TAXREC 3' as used by Halton Hills Hydro Inc.

The Practice Direction and related forms are available on the Board's website at www.ontarioenergyboard.ca.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

c: Ms. Shelley Grice, P. Eng, Econalysis Consulting Services
Ms. Leslie Dugas, Bluewater Power Distribution Corporation