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BY Email and Courier

February 28, 2008

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: Hydro One 2008 Distribution Rates – Hydro One Networks Inc. (EB-2007-0681)
Hydro One Request for Interim Rates

We are writing on behalf of our client, the School Energy Coalition (“SEC”) in reply to Ms Frank’s letter of February 27, 2008 asking that Hydro One’s distribution rates be declared interim effective May 1, 2008.

The School Energy Coalition is not opposed to the requested order, however, SEC submits that the decision as to rate recovery for the period between May 1, 2008 and the date a new rate order is implemented be decided after the evidentiary portion of the hearing is concluded. In SEC’s submission, the Board cannot make a determination on that issue on the basis of Hydro One’s submissions alone, and should only do so after hearing evidence in the hearing.

In her letter Ms Frank states that the delay in approving Hydro One’s new revenue requirement results “in about \$7 million per month in lost revenue based upon requested rates.” According to the pre-filed evidence, however, the revenue deficiency for the test year is \$22.5 million [Exhibit E1/1/1, Attachment “A”], which would mean a monthly deficiency of \$1.875 million.

We would appreciate if Hydro One could clarify how it arrived at \$7 million monthly revenue deficiency.

GREAT LAKES
LAW



Yours very truly,
SHIBLEY RIGHTON LLP

Original signed

John De Vellis

c.c.: Mr. Glen MacDonald, Hydro One
Mr. Don Rogers, Counsel to Hydro One