

April 27, 2012

Sent By Courier, Email & Filed on RESS

Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700
2300 Yonge Street
Toronto, ON M4P 1E4

NORTON ROSE

Barristers & Solicitors / Patent & Trade-mark Agents

Norton Rose Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

F: +1 416.216.3930

nortonrose.com

On January 1, 2012, Macleod Dixon joined
Norton Rose OR to create Norton Rose Canada.

Your reference
EB-2011-0271

Direct line
+1 (416) 216-2311

Our reference
01005480-0015

Email
richard.king@nortonrose.com

Dear Ms Walli:

**Halton Hills Hydro Inc. ("HHH") (EB-2011-0271)
2012 Distribution Rates**

We are counsel to Halton Hills Hydro Inc. ("HHH"), and are writing in response to Mr. Rubenstein's letter of yesterday's date on behalf of School Energy Coalition ("SEC"). Mr. Rubenstein argues that HHH's Reply Argument was improper in that it sets out "for the first time" HHH's position regarding the legal test that the Board should apply when making a determination as to the reasonableness of HHH's proposed Green Energy Initiative.

HHH submits that SEC's submission on this point should be completely disregarded, and that there is no need for further submissions. To paraphrase, on the issue of the appropriateness of the Green Energy Initiative, SEC and intervenors argue that the project should be disallowed in the test year on the basis that: (a) HHH has not provided sufficient evidence to justify the expenditure; and (b) the expenditure fails to pass a "cost/benefit" test. In making these submissions, SEC and intervenors suggest a position/framework that the Board ought to apply to reach its determination on that issue. In reply, HHH has argued that contra the submissions of intervenors, the jurisprudence requires the appropriateness of the Green Energy Initiative be determined by the Board in a different manner. This is a reply to intervenor submissions on this point. It is not up to the applicant to anticipate how intervenors will argue their case and address such arguments in an applicant's Argument-in-Chief. To do so would negate the purpose and need for any reply.

Yours very truly,



Richard King

RK/mnm/lt

Cop(y/ies) to: All Intervenors in EB-2011-0271
Art Skidmore (HHH)
David Smelsky (HHH)

DOCSTOR: 2412185\1