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November 5, 2012

BY RESS & COURIER

Mr. Mark Rubenstein
Jay Shepherd Professional Corporation
2300 Yonge Street
Suite 806, Box 2305
Toronto, ON M4P 1E4

**Re: EB-2012-0124
Festival Hydro Inc. Response to SEC Interrogatories
2013 IRM3 Electricity Distribution Rates**

Dear Mr. Rubenstein:

Enclosed are Festival Hydro's responses to SEC interrogatories dated October 22, 2012. A copy of this package has been electronically filed through the Ontario Energy Board's RESS system and emailed to the Board Secretary. The original has been couriered to the Board's offices.

Should you require any further information or clarification please contact me.

Respectfully submitted,
Original Signed by

W.G. Zehr, President

Cc All Intervenors

IN THE MATTER of the *Ontario Energy Board Act 1998*,
Schedule B to the *Energy Competition Act*, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by Festival Hydro
Inc. for an Order or Orders approving just and reasonable rates and
other service charges for the distribution of electricity to be
effective May 1, 2013.

RESPONSES TO INTEROGATORIES

FROM THE

SCHOOL ENERGY COALITION

1. [Manager's Summary/ p.12] Please explain how the proposed capital project meets the requirements of being non-discretionary as defined in the Board's *Filing Requirements for Electricity Transmission and Distribution Applications*.

RESPONSE:

Please refer to the response to OEB IR #9a.

2. [Manager's Summary/ p. 22]
Please confirm that, a) the power transformer, b) the switchgear and. c) the general contractor, were selected based on a competitive RFP process. Please provide the RFPs.

RESPONSE:

Festival confirms that the power transformer, switchgear, and general contractor were selected via a competitive RFP process. The process was directed by Festival Hydro and issued by IBI Group ("IBI"), acting as the owner's engineering consultant. IBI prepared the technical specifications and issued the RFPs to a minimum of 3 bidders selected by Festival Hydro based on consultation with IBI and other LDCs who have purchased similar equipment and services in recent years. IBI reviewed the submissions from the bidders to ensure they met the technical requirements and provided their summary to Festival Hydro. Festival Hydro reviewed IBI's summary and presented the findings to the Board of Directors of Festival Hydro. For all three RFPs, the Board of Directors awarded the contract to the lowest bidder who met all technical requirements. There were no disqualified bidders. No bidders were a related party to Festival Hydro.

Festival Hydro believes the above information is sufficient for the purpose of this proceeding and due to the commercial and sensitive nature of the information contained in both the RFPs and submissions from bidders, Festival declines to provide the RFPs to the School Energy Coalition.

3. [Municipal Transformer # Station 1: Conceptual Design and Planning Review/ page 11]
Please provide a copy of the long-term planning study prepared for the City of Stratford.

RESPONSE:

The planning study referred to on page 11 of the Costello Report was not recorded in a separate document. The results of the planning study were summarized in sections 4.3.1 and 4.3.2 of the Costello Report, plus the load forecast in Appendix 1 of the Costello Report.

4. [Municipal Transformer Station #1: Conceptual Design and Planning Review/ Appendix A]
With respect to the Applicant's Load Forecast:

- a. Please provide a comparison between projected load for 2010, 2011 and 2012 with the actual 2010, 2011 and 2012 (forecasted to year-end) load.
- b. Please explain any material differences.

RESPONSE:

- a) The following table compares the load forecast (as presented in Appendix 1 of the Costello Report) with actual load for the years 2010, 2011, and 2012 (forecasted).

	2010	2011	2012
Projected Load	76.3 MW	78.9 MW	83.7 MW
Actual Load	77 MW	80 MW	78 MW

- b.) The actual load in 2012 was lower than projected due to:
 - the unexpected closing of one factory in Stratford resulting in a loss of about 2 MW;
 - the delay in the amount of load brought on by a major new development due to a change in their ramp up schedule resulting in a decrease of around 1.5 MW less than forecast; and
 - a delay in the construction of another development that was expected to be in service before the summer peak but did not come on line until late August so their load of approximately 0.5 MW did not contribute to the peak which occurred in July.