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BY EMAIL and RESS

November 19, 2012

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

Dear Ms. Walli:

Re: EB-2012-0124 – Festival Hydro – 2013 IRM Rate Application

We are counsel for the School Energy Coalition (“SEC”). These are SEC’s final submissions in this matter, restricted in scope to Festival Hydro’s proposed Incremental Capital Module (“ICM”) for a new municipal transformer station.

SEC has been consistent in its position that transformer stations are generally the type of capital expenditures that the ICM was designed to accommodate. After reviewing the evidence and interrogatory responses, including the updated Incremental Capital Workform in response to Board Staff IR #5, the SEC is satisfied with the materiality, prudence and recovery of the ICM. While the updated 2011 load forecast would appear to delay the necessity of the project for a year as it related to capacity, SEC is satisfied with Festival Hydro’s justification that the costs associated with halting construction of the transformer station and the reliability concerns of the delay, would on balance not be in the best interest of ratepayers (VECC IR#2).

SEC is satisfied that the proposed ICM meets the Board’s requirements.

Yours very truly,
Jay Shepherd P.C.

Original signed by

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