

# Festival Hydro

November 19, 2014

Ontario Energy Board  
2300 Yonge St. 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

**Attention: Kirsten Walli**  
**Board Secretary**

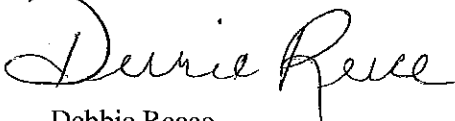
Dear Kirsten,

**RE: Covering Letter re: Further Submission related to Undertaking J 2.3 arising from Festival Hydro's Oral Hearing (EB 2014-0073) Re: January 1, 2015 Distribution Rates**

Enclosed please find further documentation related to Undertaking J 2.3 arising from Festival Hydro's 2015 COS Oral Hearing. The documentation consists of a copy of Minutes from Festival Hydro's Board of Directors meeting dated September 26, 2013 whereby Festival's Board approved Management to enter into negotiations with Hydro One to permanently bypass approximately 20 MW with an estimate cost of \$1.2 million. A copy of this document will be filed today via RESS.

Please contact me at 519-271-4703 ext. 268 if you have any questions regarding the information attached.

**FESTIVAL HYDRO INC.**



Debbie Reece  
Chief Financial Officer

# Festival Hydro INC.

## DIRECTORS' MEETING

Thursday September 26<sup>th</sup>, 2013 @ 5:00pm

**Present:** Chair; W. Malcolm, Vice Chair, R. Charie; Directors – T. Clifford; D. Delamere; F. Mark and D. Scott

B. Zehr, President; J. Vanderbaan, COO; D. Reece, CFO; Y. Semsedini, VP Engineering and Operations; K. McCann, Financial & Regulatory Manager

**Regrets:** R. Kurtz, D. Mathieson

### *Business Arising from the Minutes Transformer Station*

J. Vanderbaan updated the group that some final tweaks are being completed at the TS. FHI is planning to energize October 7<sup>th</sup>. They will be energized for 48 hours without any load, and then the switchgear will be energized for 24 hours before a feeder will be energized. Load will be placed on gradually after that. Final costs with [REDACTED] and [REDACTED] will be discussed once the project is complete.

The bypass agreement was reviewed. To bypass 20MW – the capital cost is \$1.2M. KMPG confirmed it could be included in rate base as a cost of the station. Scott Stoll reviewed the draft legal document and had no concerns with it. RBC would be willing to consider an additional loan to cover this cost. Management would like to include in this calendar year and if the agreement was signed and we have energized and started moving load over – the amount could be accrued at year end.

It was moved by F. Mark that Management enter into negotiations with

Hydro One to permanently by-pass approximately 20MW with the estimated cost of \$1.2M, and include this amount in the overall TS Capital cost as directed by KPMG and this was seconded by D. Delamere.

Carried