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BY EMAIL and RESS

May 21, 2015
Our File No. 20140213

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

Dear Ms. Walli:

Re: EB-2014-0213 – Hydro One/Woodstock MAADs

We are counsel for the School Energy Coalition. Further to the Board's Decision and Procedural Order #4 dated May 8, 2015, SEC has the following requests.

First, given the Board's decision that the White Paper contains information relevant to the proceeding, SEC requests that its counsel be allowed to review the document, after signing the Board's form of Declaration and Undertaking.

While we understand that the information on reliability, conservation and demand management, and rates contained in the White Paper is publicly available information, we are not in a position to identify that information and find it on the public record, because we haven't seen the document. We would like an opportunity to identify that information, and access it to use in the oral hearing. Without seeing what public information is in the document, we are not able to look for it. This creates a situation in which the Board members, and the Applicant, have access to relevant information that is not known to the intervenors. While a list of that information, and the places it is found on the record, would also accomplish that result, the simplest and quickest way to do that is to allow us access to the document itself.

Further, since the reason for the Board's decision on the document is that the relevant information is already on the public record, there can be no objection to SEC's counsel seeing that information. It is by definition not confidential, and thus the Applicants would not be prejudiced.

Second, SEC requests that Hydro One ensure that they have a witness available at the oral hearing able to deal with the recent announcement of a Hydro One IPO, and the impacts, if any, a change of ownership of Hydro One could have on the proposed acquisition of Woodstock Hydro.

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We know, for example, that the rate impacts of the IPO will at some point come before the Board, and we have already heard the public testimony of Mr. Clark that he expects distribution rates will go down as a result of Hydro One's additional private sector discipline. We have also heard other members of the public and the Legislature expressing concern that the IPO will cause Hydro One's rates to go up.

We also need to be concerned whether the cost of capital component of the costs for Woodstock Hydro customers will increase, either because it may become subject to federal taxation, or because the cost of borrowing will be higher absent provincial government ownership, or both.

The announced IPO may also be a fundamental change in circumstances, allowing the City of Woodstock to withdraw its approval for the transaction. Given that the City has had a change of councillors and mayor as a result of last fall's election, this could also be relevant to the impacts of the proposed transaction, and we would like to be able to ask questions about the timeframe and potential changes to the terms in light of this change in circumstances..

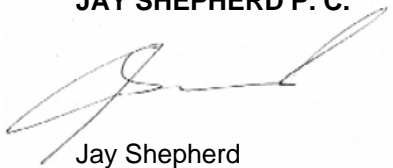
SEC therefore makes these two requests – for confidential access to the White Paper, and for a witness to speak to the impacts of the IPO – in advance of next week's continuation of the oral hearing.

In addition, of course, the revised application, expected tomorrow, could raise other issues, in respect of which we assume the Applicants will bring witnesses next week.

Of particular concern to SEC will be the operation of the Board's new ten year rate deferral policy, especially as it applies to Hydro One Distribution in light of the proposed IPO. If the change of ownership will have the effect of driving rates down, but Hydro One is opting to rely solely on Price Cap IR for ten years under the revised MAADs policy, the effect could be to deny the ratepayers the benefit of downward cost adjustments arising due to the IPO. We would like to be in a position to ask questions about those issues, and any other issues arising out of the revised application, at the oral hearing, and to explore whether it is appropriate to add conditions to the application of the policy in light of the specific nature of this transaction.

All of which is respectfully submitted.

Yours very truly,
JAY SHEPHERD P. C.



Jay Shepherd

cc: Wayne McNally, SEC (email)
Interested Parties