



Jay Shepherd

Professional Corporation
2300 Yonge Street,
Suite 806
Toronto, Ontario M4P 1E4

BY EMAIL and RESS

October 27, 2015
Our File No. HV2015-0001

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2013-0159 – Oakville Hydro – Cost Allocation Study Commitment

We are counsel for the HVAC Coalition. We have reviewed the letter from Oakville Hydro's counsel dated October 26, 2015, and have the following response.

HVAC Coalition can confirm that, in the last couple of months, Oakville Hydro has been diligent in moving the cost allocation study forward. It can also confirm that the RFP release, response, contract award, and kickoff dates have proceeded as planned. A small problem with the RFP responses was dealt with quickly, by mutual agreement between Oakville Hydro and HVAC Coalition, and it appears to us at this point that the study is moving forward at an appropriate pace.

HVAC Coalition also confirms that it supports the Applicant's request to proceed with the rate application in parallel with the study process. While we are not as confident as Oakville Hydro that the study will be completed and ready for filing by the end of December, it is probably reasonable to expect that filing in January or February. It may be in the interests of the customers to have their bills adjusted on January 1st, rather than wait until March or April and then have the further adjustments already expected in May for other reasons.

We would propose to the Board that, in light of the tight timing, the Board adopt one of two approaches to the situation.

Tel: (416) 483-3300 Cell: (416) 804-2767 Fax: (416) 483-3305
jay.shepherd@canadianenergylawyers.com
www.canadianenergylawyers.com



Jay Shepherd Professional Corporation

First, the Board could process the Application, and approve new rates for January 1st in the normal course, but declare them interim. That would preserve all options for the Board if it turns out that it wants to make some adjustments to the utility share of common costs, and have them effective for all of 2016.

Second, the Board could establish a new variance account to capture any difference between costs allocated to affiliates as included in 2016 rates, and costs the Board subsequently determines should be allocated to affiliates.

Either approach would allow new rates to be implemented on January 1st, but also allow the Board to consider cost allocation issues in this proceeding, if it elects to do so after seeing the cost allocation study. Further, if the Board elects not to consider those allocation issues in this proceeding, or if the study shows no material issues with the affiliate allocations, the appropriate rates will already be in place, and the ratepayers will not be affected.

All of which is respectfully submitted.

Yours very truly,

JAY SHEPHERD P. C.

Jay Shepherd

cc: Martin Luymes, HVAC (email)
Mary Caputi, Oakville Hydro (email)
Katherine Wang, OEB (email)
Interested Parties