

November 29, 2017

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VIA EMAIL AND REGULAR MAIL

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Attention: Kristi Sebalj, Registrar

Dear Ms Sebalj:

Re: EB-2017-0049/Application for Interim Rate Order

We are counsel to the City of Hamilton (the “City”) in this matter. We are responding, on behalf of our client, to Mr Vegh’s letter of November 17, 2017, in which he seeks approval for an interim rate order.

As Mr. Vegh acknowledges, his request for an interim rate order differs from the typical request for an interim rate order in that it does not seek the continuation of existing rates but rather new rates that adjust “the current Board-approved rates by incorporating updated information from the 2018 load forecast”. He seeks an interim order based on untested evidence. To provide comfort for such an unprecedented step, he argues that his client’s load forecast has historically been accurate and that, in any event, basing interim rates on the updated load forecast will not “limit in any way the review of the load forecast by OEB staff and intervenors”.

The City opposes the request to approve interim rates on the basis proposed by Mr Vegh. To begin with, and as a matter of principle, the OEB should not approve rates, interim or permanent, based on untested evidence. The City acknowledges that the OEB might feel compelled to do so in circumstances of compelling evidence of imminent, material adverse impact on ratepayers. Those circumstances do not apply here. The magnitude of the potential adjustments which Mr. Vegh speculates may have to be made if his request is not granted do not constitute the prospect of material adverse effect sufficient to justify taking the risk inherent in granting any approval based on untested evidence.

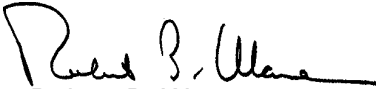
In addition, Mr. Vegh’s assurance that the review of his client’s load forecast will not be limited is, with respect, unrealistic. Once that forecast is “baked” into rates it will be difficult to challenge it without facing the argument that, among other things, changing the forecast will require an

ex post facto adjustment to interim rates that in itself harms ratepayers. To put the matter another way, accepting the untested evidence, even on an interim basis, would be unfair to those parties which, like the City, want to test the accuracy and completeness of HONI's load forecast.

The City has no objection to approving a request for interim rates based on the established precedent, namely a continuation of existing, Board-approved rates. It does, however, object to the approval of interim rates on the basis proposed by Mr. Vegh.

Yours truly,

WeirFoulds LLP



Robert B. Warren

RBW/dh

cc: McCarthy Tétrault LLP
Attention: George Vegh (via email: gvegh@mccarthy.ca)
Attention: Gordon Nettleton (via email: gnettleton@mccarthy.ca)
Harold Thiessen, OEB Case Manager
James Sidlofsky, OEB Counsel
Hydro One Networks Inc.
Attention: Erin Henderson, Senior Regulatory Coordinator
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The City of Hamilton
Parties

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