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BY EMAIL and RESS

April 19, 2013
Our File No. 20120064

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

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2012-0064 – Toronto Hydro IRM Phase 1 – Draft Rate Order

We are counsel the School Energy Coalition (“SEC”). Pursuant to Board’s Partial Decision and Order (the “Decision”) and Procedural Order No. 5, SEC has reviewed Draft Rate Order filed by Toronto Hydro Electric-Systems Limited (“THESL”) and provides the following comments.

THESL has included in its eligible 2013 ICM amounts \$2.43 million for in-service additions for its Bremner TS project. THESL’s justification for this appears to be comments made during the hearing by its witness Mr. Odell which it references in a footnote in the Draft Rate Order.¹ Mr. Odell stated during the hearing that THESL has discovered that its asset classification of Bremner required some minor corrections which would have an impact of about \$1 million dollars in depreciation over the three years of the project.² SEC has two concerns with the inclusion of *any* amount in 2013 for the Bremner TS Project.

First and most importantly, the Board’s Decision is clear - the approved ICM treatment for the Bremner TS project is for 2014 only. No amount was approved for 2013. The Board wrote in its Decision:

¹ *Draft Rate Order* at p. 6, footnote 7

² Tr. 6, p.84, lines 1-4

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Accordingly, the Board finds that THESL has justified the need for Bremner project and accepts that the project is eligible for ICM treatment. The Board accordingly approves a total recovery of \$184.1 million for this project consisting of \$124.1 million for 2014 in-service assets and \$60 million for 2014 in-service capital contributions to Hydro One. [emphasis added].³

Second, there is no evidence on the record about what asset the \$2.43 million is attributed to, and how it can be in-service in 2013 while the Bremner station itself will not be in-service until 2014. Any correction about the classification of the asset for the purposes of depreciation would have no impact on the in-service date of that asset.

SEC submits that no Rate Riders amounts related to the Bremner TS project should be included in the final Rate Order.

Yours very truly,
Jay Shepherd P.C.

Original signed by

Mark Rubenstein

cc: Applicant and Intervenors (by email)

³ *Partial Decision and Order* at p. 53