



SHIBLEY RIGHTON LLP
Barristers and Solicitors

Jay Shepherd
Direct Line (416) 214-5224
Direct Fax (416) 214-5424
jay.shepherd@shibleyrighton.com

TORONTO OFFICE:
250 University Avenue, Suite 700, Toronto, Ontario, M5H 3E5
Main 416 214-5200 Toll free 1-877-214-5200
Facsimile 416 214-5400

WINDSOR OFFICE:
2510 Ouellette Avenue, Windsor, Ontario, N8X 1L4
Main 519 969-9844 Toll free 1-866-522-7988
Facsimile 519 969-8045

www.shibleyrighton.com

Please Reply to the TORONTO OFFICE

BY EMAIL AND COURIER

November 15, 2006
Our File No. 2060552

Ontario Energy Board
2300 Yonge Street
26th Floor
Toronto, Ontario
M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EDA Revenue Stabilization Proposal EB-2006-0267

We are counsel for the School Energy Coalition. Pursuant to the Board's letter of November 2, 2006, we have reviewed the above proposal. This letter is being sent to advise that we are not in a position to provide useful input at this time.

The EDA proposal, by challenging a basic paradigm of Ontario distributor regulation, has far-reaching implications. It is clear, for example, that ROE must be fundamentally re-thought if any of these approaches is taken. It is also clear that this would have a significant impact on any X-factor proposed for incentive regulation. In addition, the choices between the options, and between any of the options and a more conventional approach, will involve a complex analysis of other issues, like the fixed vs. variable cost split, short term and long term, within the standard distributor cost structure, etc. That analysis cannot be done in any useful way as part of general comments on a paper. More work needs to be done if we are to be useful to the Board, but in a process with a short time frame, and without costs eligibility, we cannot carry out those tasks productively.

We also note that this proposal seems to fall naturally into the 088/89 process that is already being undertaken by the Board. We therefore believe it would be in the Board's interest to fold this into that process, and have it considered in the proper context, with suitable resources allocated so that intervenors are able to do a good job. This includes provision for appropriate costs (increasing the existing limits to cover this additional scope), and new time frames that allow for a thoughtful review of this interesting new take on the issues.

GREAT LAKES
LAW



We hope these comments are of assistance to the Board.

Yours very truly,
SHIBLEY RIGHTON LLP

Jay Shepherd

Cc: Interested parties (by email)