

Amanda Klein
Senior Regulatory Counsel
Toronto Hydro Electric-System Limited
14 Carlton Street
Toronto, Ontario M5B 1K5

Telephone: 416.542.2729
Mobile: 416.903.1423
Facsimile: 416.542.2683
aklein@torontohydro.com
www.torontohydro.com



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via RESS e-filing – signed original to follow by courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited's ("THESL")
Application for Existing Rates to be Made Interim
OEB File No. EB-2012-0064**

Purpose

Toronto Hydro-Electric System Limited ("THESL") hereby applies to the Board for an Order making THESL's existing distribution rates interim, effective May 1, 2012. Existing distribution rates and riders were approved by the Board under file number EB-2010-0142, became effective May 1, 2011, and were implemented August 1, 2011.

THESL's interim rate request is made to provide sufficient time for all parties to complete the processes necessary for implementation of 2012 distribution rates, while preserving THESL's ability to recover its approved 2012 revenue requirement given that final 2012 rates are not able to be implemented as of May 1, 2012.

Background and Need

On August 26, 2011, THESL filed a cost of service application with the Board for an order approving or fixing just and reasonable rates and other charges for the distribution of electricity to be effective May 1, 2012, May 1, 2013, and May 1, 2014 pursuant to section 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Sched. B, as amended.

On October 4, 2011, the Board issued Procedural Order No. 1 in respect of the Application, which ordered that the OEB would consider as a preliminary issue the question of whether THESL's application should be heard or whether it should be dismissed without a hearing (the "Preliminary Issue"), pursuant to the Board's 3GIRM policy with respect to hearing rebasing applications sooner than every four years (referred to by the Board as "early rebasing").

On January 5, 2012, the Board issued its Decision in respect of the Preliminary Issue. The OEB dismissed the Application, finding that THESL had not met the test set out by the OEB to justify hearing THESL's cost of service or rebasing application for 2012 through 2014 rates.

At page 24 of that Decision, the Board stated that

"The Board will not direct THESL to file a 2012 IRM application; however, the Board invites THESL to do so, and to consider whether it would be appropriate to file an ICM module as part of the application."

Through correspondence dated February 6, 2012, THESL advised the Board that THESL intended to file an IRM/ICM rate application for 2012 rates. Since January, THESL has made the preparation of a comprehensive IRM/ICM application a top priority for the organization. Given the importance, complexity, and novelty of that process, it has demanded substantial time and organizational resources. THESL continues to work diligently to prepare that application and expects to file it very shortly. However, despite those efforts it is clear that the determination of THESL's 2012 rates cannot be completed by May 1, 2012.

No party can properly anticipate the outcome of THESL's impending rate application. However, THESL submits that in similar circumstances (like those of last year), the Board has seen fit to issue an order making rates interim. In THESL's view such an order in no way anticipates the Board's decision on THESL's impending application, and does not bind the Board in any way, but rather preserves options for both the Board and THESL.

Specific Effect

At present, THESL's approved tariff contains several rate riders that expire on April 30, 2012, together with others that expire at a later date. THESL does not wish to disturb that

arrangement, and therefore requests that the Board order that the rates prevailing on April 30, 2012 become interim effective May 1, 2012, with the exception of the rate riders expiring on April 30, 2012.

Summary

THESL respectfully requests that the Board make the Order as described for the reasons given above. THESL submits that such an Order neither would be prejudicial to the interests of ratepayers or any other party, nor that it would in any way fetter the Board's discretion in disposing of THESL's 2012 rate application.

Please contact me as noted below with reference to this application.

Yours truly,

[original signed by]

Amanda Klein

Senior Regulatory Counsel
Legal Services Division
Toronto Hydro-Electric System Limited
aklein@torontohydro.com
regulatoryaffairs@torontohydro.com

:AK/acc

cc: J. Mark Rodger, Counsel for THESL, by electronic mail only
Intervenors of Record for EB-2011-0144, by electronic mail only