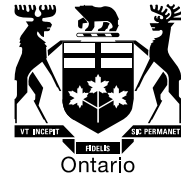


Ontario Energy Board
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

June 12, 2012

Amanda Klein
Senior Regulatory Counsel
Toronto Hydro
14 Carlton Street
Toronto ON M5J 2T9

Dear Ms. Klein:

**Re: Toronto Hydro-Electric System Limited
Application for 2012, 2013 and 2014 IRM Rate Adjustments and ICM Rate Adders
Board File Number EB-2012-0064**

This letter acknowledges receipt of Toronto Hydro-Electric System Limited's (THESL) application for 2012, 2013 and 2014 IRM Rate Adjustments and ICM Rate Adders on May 10, 2012. The Ontario Energy Board (the "Board") has assigned File Number EB-2012-0064 to this matter. Please refer to this file number in all future correspondence to the Board regarding this matter. All information related to this matter must be filed with the Board Secretary.

The Board is prepared to proceed with the hearing of this application and with the issuance of a Notice of Application and Hearing as the next step.

However, before doing so the Board requires information from THESL as to its intentions regarding two outstanding matters that are related to this proceeding and may have an impact upon it.

The first of these two matters is THESL's January 25, 2012 Notice of Motion (the "Motion") to review the Board's EB-2011-0144 January 5, 2012 Decision (the "Decision") on the Preliminary Issue.

On February 6, 2012, THESL filed a letter with the Board related to this matter which stated that THESL was aware that the Board might find it convenient to hold the Motion in abeyance pending the determination of procedure for the impending IRM/ICM application. THESL stated that it would consent to this approach provided that THESL's

rights to seek to vary the procedure regarding the Motion and/or the IRM/ICM application would be preserved.

On February 15, 2012, the Board issued its Amended Notice of Motion and Procedural Order No. 1 in which it determined that the Motion would be adjourned pending THESL's IRM/ICM application and further direction from the Board.

The second of these matters is the Notice of Appeal to the Ontario Superior Court of Justice (Divisional Court) which asked that the Decision be set aside and the Board be ordered to conduct a full hearing in respect of the Cost of Service application upon which the Decision was based. It is the Board's understanding that the appeal has not yet been perfected before Divisional Court.

If either the Divisional Court appeal or the Motion to Review proceed and are successful, then the current proceeding would appear to be moot. The Board would welcome THESL's comments on how it should process the current application with these other processes still outstanding.

Upon receipt of THESL's response regarding its intentions concerning these two matters, the Board will issue further procedural direction.

Please direct any questions relating to this application to Martin Davies, Project Advisor at 416-440-8107 or Martin.Davies@ontarioenergyboard.ca.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

Cc: Fred D. Cass, Aird & Berlis LLP