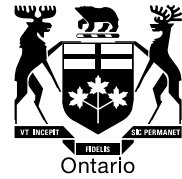


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BY E-MAIL

June 27, 2012

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

Dear Ms. Klein:

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

On June 12, 2012, the Board issued its acknowledgement letter for this proceeding. In this letter, the Board stated that it was 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, the Board stated that before doing so, it required 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 January 25, 2012 Notice of Motion and the Notice of Appeal to the Ontario Superior Court of Justice (Divisional Court).

The Board stated that upon receipt of THESL's response regarding its intentions concerning these two matters, the Board would issue further procedural direction. On June 20, 2012, THESL responded to the Board's acknowledgement letter. On June 21, 2012, the Board also received a letter from the School Energy Coalition related to these matters.

The Board has determined that this application will proceed to the stage of the establishment of a Board approved issues list. Once such an issues list has been established, the Board will assess the next steps in this proceeding taking into account the status of these outstanding matters.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

Cc: Fred D. Cass, Aird & Berlis LLP