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File No.: 97294

August 2, 2012

E-FILED

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street (27TH Floor)
P.O. Box 2319
Toronto, ON
M4P 1E4

Dear Ms. Walli,

**Re: Toronto Hydro-Electric System Limited's ("THESL")
Application for Existing Rates
Application for 2012, 2013 and 2014 IRM Rate Adjustments and ICM Rate Matters;
EB-2012-0064 ; City of Toronto's Application for Interim Street Lighting Rates, EB-2012-0250**

We act as counsel for the City of Toronto ("the City") in these matters.

The City applied for intervenor status in the EB-2012-0064 proceeding on the grounds that it has a substantial interest in the subject matter of the Application. The City is a customer of THESL and receives street lighting service for which it is charged THESL's Tariff of Rates and Charges for Street Lighting Service. The current rates became effective on May 1, 2011. These 2011 rates will be the base rates to which the IRM and ICM adjustments will be added to determine rates for 2012, 2013 and 2014 using the Board's 3rd Generation Incentive Regulation for Ontario's Electricity Distributors.

The City is also the Applicant in EB-2012-0250, in which proceeding it requests that the Board grant the following orders:

- An order, under s. 21(7) of the Act, making Toronto Hydro-Electric System Limited's ("THESL") existing and subsequently approved distribution rates for street lighting interim from the date of this Application until the Board's Decision/Reasons/Order on the first THESL 3GIR mechanism application or rate-rebasing application that is based upon the results of the consultation process on the underlying methodology and principles for allocating costs to the Street Lighting class and the embedding of the consequent new methodology in the Board's cost allocation model, all as recommended by the Board on page 24 of the March 31, 2011 Report Of The Board, Review of Electricity Distribution Costs Allocation Policy ("March 2011 Report") in the Board's proceeding No. EB-2010-0219;
- An order under s.34.01 of *Ontario Energy Board Rules of Practice and Procedure*, as revised, that this motion is to be determined by the Board by means of a written hearing; and,

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- Such further or other order as seems appropriate in the circumstances.

The City has requested that the Board combine the City's Application EB-2012-0250 with THESL's Application for hearing and decision. Notably, this manner of proceeding was actually recommended to the City by the Ontario Energy Board itself and particularly by Ted Antonopoulos, Manager, Rates and Applications.

We are now in receipt of Procedural Order No. 1, dated July 31, 2012. Notwithstanding the above, we note that the interim rates for street lighting have not been included in the Draft Issues List (being Appendix "B" to the Procedural Order.) We hereby reiterate our request on behalf of the City that the issue of the interim rates be added to the Issues List. As you may well appreciate, this matter is of great importance to the City and one which has been on the regulatory agenda for a significant amount of time.

Please be advised that my colleague Anna Husa will be in attendance on Issues Day, scheduled for August 13, 2012, to speak to this matter.

Yours truly,

GARDINER ROBERTS LLP



Ian A. Blue, Q.C.

cc. Lorraine Searles-Kelly
Robert Hatton
Ralph Frebold

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