

# AIRD & BERLIS LLP

Barristers and Solicitors

Fred D. Cass  
Direct: 416-865-7742  
E-mail: fcass@airdberlis.com

August 9, 2012

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited; EB-2012-0064**

We are writing on behalf of Toronto Hydro-Electric System Limited (THESL) pursuant to Procedural Order No. 1 (the "PO") in the above-noted matter. In particular, THESL sets out below its preliminary comments in respect of the draft Issues List included with the PO as Appendix B (the "Draft Issues List"). As an ancillary matter, THESL would also like to register a comment in respect of the hearing process for this matter.

**Draft Issues List**

**(a) Issue 1.1**

Issue 1.1 of the Draft Issues List reads as follows:

"Are the IRM Model filings by THESL, including the tax sharing proposal, in accordance with the Board's requirements and, if not, are any proposed departures adequately justified?"

By way of clarification, THESL notes that it filed the Tax Sharing spreadsheet only for 2012 because information on tax rates for 2013 and 2014 is not yet available with reasonable certainty. Similarly, information on the inflation factor for the PCI adjustments for 2013 and 2014 is not yet available.

Generally, THESL proposes that it follow a process for updating rates for those years similar to that which was approved by the Ontario Energy Board ("OEB") in 2009, but now within the IRM context. In the event that the OEB issues a Decision on this Application which provides for multi-year rates, it could also specify the parameters to be updated and filed by THESL at the times when rates are adjusted for 2013 and 2014. These parameters would include, but not necessarily be limited to, the inflation factor and applicable tax rates.

**(b) Issue 3.2**

Issue 3.2 of the Draft Issues List reads as follows:

“Is the proposed Tariff of Rates and Charges for 2013 appropriate?”

THESL submits that, given its Application is for the years 2012-2014, the temporal scope of this issue is properly 2012-2014, as opposed to 2013 only.

**Hearing Process**

As set out above, THESL makes this submission ancillary to its comments on the Draft Issues List. Issue 4.1 of the Draft Issues List reads as follows:

“Is the proposed final disposition of the PILs Deferral Account 1562 appropriate, including the proposed rate riders?”

THESL submits that it is appropriate that this portion of THESL’s Application be dealt with by way of a written hearing process. THESL’s rationale for this submission is that proceeding in this fashion: (a) is consistent with past practice in applications before the OEB to clear this account, which applications have been highly technical and are better suited to written processes; and (b) would result in a narrowing of the issues of the oral hearing.

All of which is respectfully submitted.

Yours truly,

AIRD & BERLIS LLP



Fred D. Cass

FDC/

c.c. EB-2012-0064 Intervenors  
Amanda Klein, THESL