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August 9, 2012

BY EMAIL & COURIER

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St, Suite 2701  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2012-0064 Toronto Hydro-Electric System Limited  
2012-2014 IRM Rates Adjustments and ICM Adders Application  
Energy Probe – Comments on Issues List**

Pursuant to Procedural Order No. 1, issued on July 31, 2012, attached please find the Submissions of Energy Probe Research Foundation (Energy Probe) on the Draft Issues List in respect of Toronto Hydro-Electric Limited in the EB-2012-0064 proceeding for the Board's consideration.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh  
Case Manager

cc: Amanda Klein, Toronto Hydro-Electric System Limited (By email)  
Fred Cass, Aird & Berlis LLP (By email)  
Roger Higgin, Consultant to Energy Probe (By email)  
Peter Faye, Counsel to Energy Probe (By email)  
Intervenor of Record (By email)

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**Toronto Hydro-Electric System Limited**  
**Energy Probe Draft Issues List Comments**

**August 9, 2012**

**Changes and Additions**

**1. Incentive Regulatory Mechanism (“IRM”) Schedules and Models**

**1.2 What alternative regulatory approaches may be appropriate?**

**The current wording is framed too narrowly; the change to broader wording is appropriate.**

**1.4 Is the recovery of Smart Meter Costs and associated SMRRs appropriate?**

**Energy Probe suggests the addition of a specific issue to cover review of THESL’s Smart Meter Costs and associated SMRRs.**

**2. Incremental Capital Module**

**2.2 Do the consultant reports and business cases provided for the proposed capital projects adequately justify them, including review of alternatives?**

**Energy Probe suggests wording that ensures reasonable alternatives were explored. For example, upgrading existing overhead rather than undergrounding services.**

**2.3 What alternatives may be appropriate?**

**The current wording is framed too narrowly; the change to broader wording is appropriate.**

**3. Rate Design**

**3.3 Are the proposed Revenue to Cost Ratios appropriate?**

**Energy Probe submits that the suggested wording is the standard IRM sub issue. The current Issue 3.3 would be renumbered 3.4.**

**3.4 Has THESL appropriately complied with the Board's Final Order Regarding Suite Metering Issues dated April 26, 2012 in EB-2011-0144?**

**Energy Probe suggests that the Issue should be amended by inserting "Board's" to read "... Board's Final Order ...."**