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October 22, 2012

via RESS e-filing – signed original to follow by courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited (“THESL”)
OEB File No. EB-2012-0064 (the “Application”)
THESL’s Application Update**

THESL writes in respect of the above-noted proceeding. In particular, further to THESL’s letter dated September 13, 2012, THESL writes to advise the Ontario Energy Board (“OEB”) and intervenors of the date by which it intends to file its evidentiary update, and to describe the expected nature of that update.

Timelines for Filing the Update and Deferred Interrogatories

In order to provide ratepayers with clarity on 2012 rates and to address critically needed capital work on its distribution system, THESL believes that this application must be heard as expeditiously as possible and in 2012. To that end, THESL has committed significant resources in its effort to file its update by October 31, 2012.

As the OEB and intervenors are aware, THESL deferred certain interrogatories that THESL believed would be fundamentally affected by the updated evidence. In THESL’s view, responses to these interrogatories prepared prior to the updated information being available would not materially assist the OEB or intervenors. THESL expects to file the responses to these deferred interrogatories along with its update at the end of October.

THESL proposes that, to the extent the OEB or intervenors require clarification of the content of the update, the OEB may find it convenient to hold a technical conference during the third week of November. Following that, THESL proposes that all other things being equal, a settlement conference take place by the last week of November, leading up to a hearing in December. THESL of course appreciates that the OEB will not be in a position to determine further procedure until it receives THESL’s updated evidence. However, THESL makes this proposal on the basis that it may assist the OEB and intervenors plan for the next steps in this proceeding.

Content of the Update

As THESL noted in its September 13, 2012 letter, much of 2012 will have passed by the time that the evidentiary phase of this proceeding has concluded. In order to provide the most useful information to the OEB and intervenors, THESL undertook a review of the work proposed in the ICM application to determine the extent to which the proposed work, and especially that identified for 2012, must be updated and re-prioritized to take account of the reality that an OEB decision in respect of the first year's proposed capital spending will not be available until late in 2012 or early in 2013.

Accordingly, THESL's update is fundamentally administrative in nature, representing a "shifting" of certain jobs between ICM years in order to reflect the reality of the passage of time in 2012 and THESL's real-world, operational experience since this application was filed in May. THESL has also taken the opportunity to update certain forecast information to assist in providing the OEB and intervenors a more precise picture of its capital needs, and where possible for 2012, THESL has replaced forecasts with actuals.

THESL's update will also include corrections to the evidence that were uncovered during the interrogatory process and other minor corrections that resulted from THESL's review of its application as a result of preparing this update.

Finally, with its update, THESL will be requesting a change in how the OEB manages this application. In particular, THESL will be asking the OEB to consider the work programs identified for 2012 and 2013 together, and to defer consideration of projects for 2014 to a later date. Again, this request grows out of the real-world experience garnered over the last 6 months. THESL proposes that such a request for bifurcation or phasing of the application may assist in the achievement of a hearing (on the 2012 and 2013 portions of the application) by the end of 2012.

Please do not hesitate to contact me if you have any questions.

Yours truly,

[original signed by]

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cc: Fred Cass of Aird & Berlis LLP, Counsel for THESL, by electronic mail only
Intervenors of Record for EB-2012-0064 by electronic mail only