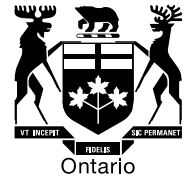


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BY E-MAIL

September 30, 2013

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Board Staff Submission Draft Issues List
Toronto Hydro-Electric System Limited
Application for 2012, 2013 and 2014 IRM Rate Adjustments and ICM Rate
Adders – 2014 Update
Board File Number EB-2012-0064**

On September 20, 2013, the Board issued Procedural Order No. 6 in the above proceeding which established that comments on the Draft Phase 2 Issues List attached as Appendix A of Procedural Order No. 6 should be filed with the Board and delivered to all parties by September 30, 2013.

Board staff accepts the Draft Phase 2 Issues List as proposed as accurately reflecting the issues that will need to be considered in Phase 2 of this proceeding. Board staff's acceptance of the Draft Phase 2 Issues List is based on Board staff's understanding that Issue 2 ("Are the IRM Model filings by THESL, including the tax sharing proposal for 2014, in accordance with the Board's requirements and, if not, are any proposed departures adequately justified?") would encompass consideration of the evidence filed by THESL in Tab 9 Schedule 2-5 related to its Group 1 Deferral/Variance Accounts and the balances in these accounts.

Alternatively, Board staff requests that an issue be added to replace Issue 4.2 from Phase 1 of the proceeding as follows:

Issue: Is the proposal to defer disposition of the Group 1 Accounts appropriate?

Original Signed By

Martin Davies
Project Advisor, Applications & Regulatory Audit

cc: Parties to EB-2012-0064 proceeding