

Ontario Energy Board
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Commission de l'énergie de l'Ontario
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BY E-MAIL

October 12, 2011

Miles Thompson
Parry Sound Power Corporation
125 William Street
Parry Sound ON P2A 1V9

Dear Mr. Thompson:

**Re: Parry Sound Power Corporation (“Parry Sound”)
Application for Rates
Board File Number EB-2011-0193**

The Board is in receipt of your 2012 IRM3 rate application. As part of your application, you indicated that you are proposing to defer the disposition of account 1562 to your next rate application.

In its Decision in the EB-2008-0381 Combined PILs proceeding, the Board indicated that each remaining distributor will be expected to apply for final disposition of account 1562 with its next general rates application, either IRM or cost of service. The Board further added that if the distributor files evidence in accordance with all the various decisions made in the course of that proceeding, including the use of the updated model, the distributor may expect that the determination of the final account balance will be handled expeditiously and in a largely administrative manner. If a distributor files on a basis which differs from what is contemplated by the decision in that proceeding, the application can be expected to take some time to process, and therefore should not be made as part of an IRM application. Differences could include taking a different position on issues reviewed by the Board in the Combined PILs proceeding, addressing issues not arising as part of the Combined PILs proceeding or filing using a model other than the updated model used by Halton Hills Hydro Inc.

The Board expects that Parry Sound be in a position to discharge of its regulatory obligations, including filing for the disposition of account 1562 as directed by the Board in the Combined PILs proceeding. However, given that Parry Sound is applying for

rates effective January 1, 2012, the Board recognizes the time constraints for the filing and review of account 1562 within this 2012 IRM application. The Board will therefore process Parry Sound's 2012 IRM application but expects Parry Sound to file an application addressing the disposition of account 1562 in a stand-alone application to be filed no later than April 1, 2012.

Please direct any questions relating to this matter to Daniel Kim, Analyst at (416) 440-8135 or e-mail Daniel.Kim@ontarioenergyboard.ca.

Yours truly,

Original Signed By

John Pickernell
Assistant Board Secretary