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**Commission de l'énergie de l'Ontario**  
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**BY E-MAIL**

December 19, 2011

Iain Clinton  
Newmarket-Tay Power Distribution Ltd.  
590 Steven Court  
Newmarket ON L3Y 6Z2

Dear Mr. Clinton:

**Re: Newmarket-Tay Power Distribution Ltd. (“Newmarket-Tay”)  
2012 IRM Rate Application  
Application Board File Number EB-2011-0184**

The Board is in receipt of your revised 2012 IRM3 rate application dated December 14, 2011 in which you are seeking to defer the disposition of account 1562 until your next cost of service application. The reason provided in support of your request is in order to avoid rate volatility. You indicated that Newmarket-Tay has a large debit balance in account 1562 and expects that its other deferral and variance account balances will be in a credit position at the time of rebasing. You also indicated that Newmarket-Tay will be submitting the PILs evidence to the Board by the end of December 2011. You also requested to defer the recovery of your LRAM claim until your next cost of service application, and indicated that the LRAM evidence would be filed by the end of December 2011.

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 notes that Newmarket-Tay's evidence that a large debit balance exists in account 1562 has not been tested nor is it possible to establish, at this time, that the other deferral and variance account balances will be in a large credit position when the next cost of service application is filed, which is scheduled for the 2014 rate year.

The Board has determined that the disposition of the balance in account 1562 and the LRAM claim should be heard as part of Newmarket-Tay's current IRM application. The Board notes that the disposition period for these accounts will be an issue in this proceeding and expects that Newmarket-Tay, intervenors and Board staff will investigate rate mitigation options, if required, as part of the proceeding.

The Board will consider your application to be incomplete until such time that Newmarket-Tay files the evidence supporting the disposition of account 1562 and its LRAM claim.

Please direct any questions relating to this matter to Daniel Kim, Analyst Electricity Rates Applications, at (416) 440-8135 or e-mail [Daniel.Kim@ontarioenergyboard.ca](mailto:Daniel.Kim@ontarioenergyboard.ca).

Yours truly,

*Original signed by*

John Pickernell  
Assistant Board Secretary