



June 10, 2009

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street 27th Floor
Toronto, ON
M4P 1E4
Attention: Ms. Kirsten Walli, Board Secretary

**Re: Review Initiative: Account 1562, Deferred Payments in Lieu of Taxes (“PILs”)
Board File No. EB-2008-0381**

As part of Procedural Order #5, issued on April 27, 2009, the Ontario Energy Board (the “Board”) sought submissions from any parties on further procedural steps. Following are the recommendations of the Coalition of Large Distributors (“CLD”), namely Enersource Hydro Mississauga, Horizon Utilities Corporation, Hydro Ottawa, PowerStream, Toronto Hydro-Electric System Limited and Veridian Connections.

The timely clearing of variance and deferral accounts is a significant issue not just for distributors, but for other stakeholders within the industry. Account 1562, Deferred PILs, was established in 2001, and distributors have been making entries following guidelines issued by the Board, or Board staff, for nearly eight years. It is important that matters related to this account be finalized so that balances can finally be cleared.

As part of this proceeding, the Board has selected three distributors (the “named” distributors). These distributors filed detailed information about their balances in Account 1562. All stakeholders have also had the opportunity to file submissions commenting on a report issued by Board staff discussing the issues. The proceeding then allowed for an interrogatory phase in which all stakeholders were able to ask specific questions of each of the named distributors. These distributors have now each filed their responses. It is the view of the CLD that there is now sufficient evidence on record for the Board to determine certain generic matters.

The CLD proposes that the Board now establish generic guidelines for Account 1562 before clearing the balances for distributors. The CLD recommends that the Board make provision for parties to file argument with respect to the generic issues identified by Board staff. There should then be a further procedural step for reply argument. With this on the record, the Board could then establish certain generic guidelines for Account 1562. Following this, all distributors (including the named distributors) would file applications to clear account balances.

However, it is critical for the Board to understand the complexities related to PILs. It is not possible for any generic guidelines to consider all circumstances faced by distributors. Distributors that follow the generic guidelines would have their balances cleared through an expedited process. However, distributors must also have the opportunity to make a case for modifications to take into account their specific situation.



Thank-you for this opportunity to provide our recommendations.

Yours truly,

Original Signed By

Lynne Anderson
Chief Regulatory Affairs and Government Relations Officer

On behalf of the CLD