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2010 November 10

via RESS e-filing – original to follow by courier

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

Dear Ms. Walli:

RE: EB-2010-0295
Recovery of Late Payment Penalty Settlement Amounts
Toronto Hydro-Electric System Limited Supplementary Evidence

Toronto Hydro-Electric System Limited (THESL) has received the Board's Notice of Hearing for the above-noted proceeding and has cooperated with the Electricity Distributors Association (EDA) to produce and file on November 8 the collective evidence required by the Board.

THESL wishes to advise the Board that because of circumstances relating to THESL particularly, THESL has concluded that it is necessary for it to file limited supplementary evidence pertaining to the topics set out below. Please note that this evidence does not challenge or rebut the collective evidence, upon which THESL continues to rely. THESL expects to be able to file the supplementary evidence by Friday November 12, and in any event will do so as soon as possible.

The first topic of the supplementary evidence concerns payments made by THESL to the EDA to partially fund defendant legal costs throughout the course of the various actions. The contributions made to date by THESL partially meet its obligation to fund its share of defendant legal costs, but a further payment for this purpose will be required. For

historical ratemaking purposes, THESL has included these contributions in its regulatory budget for external legal costs and as such THESL has notionally recovered these costs. Therefore THESL will file evidence documenting those contributions and proposing that they be deducted from any amount the Board approves as THESL's recoverable share of the Allocated Amount referred to in the collective evidence.

The second topic of the supplementary evidence arises from the fact that prior to the issuance of the Notice of Hearing for this proceeding, THESL had filed with the Board in its 2011 rate application (EB-2010-0142) evidence pertaining to the amount, allocation, and recovery of THESL's portion of the Allocated Amount. At a detailed level this evidence differs from the collective evidence with respect to the method of allocation of amounts to rate classes and the manner of recovery. However, in THESL's view its evidence does not conflict with but rather merely presents an alternative to the collective evidence which could be appropriate for THESL.

As a procedural matter, the Board may choose to sever this issue from the EB-2010-0142 proceeding, and in any event the related evidence is on the record in that proceeding. THESL will of course abide by the procedure the Board wishes to follow in this matter as to whether the issue will be heard in THESL's rate case or the LPP proceeding, but offers to file the related evidence in the LPP proceeding for transparency and completeness of the record in that case.

THESL is aware that the filing of supplementary evidence by distributors in the EB-2010-0295 proceeding is not contemplated in the Notice of Hearing but anticipates that its supplementary evidence will be helpful to the Board in this proceeding and will not be prejudicial to the interests of any party in that proceeding.

Yours truly,

[Original signed by]

Colin McLorg
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:CJM/acc

cc: Alan Mark, Jennifer Teskey, EDA Counsel, by email only
Rick Zebrowski, Maurice Tucci, EDA, by email only