



3240 Mavis
Road
Mississauga,
Ontario
L5C 3K1

Tel: (905)
566-2727
Fax (905)
566-2737

January 13, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P. O. Box 2319
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Enersource Application for Distribution Rates Effective May 1, 2011 –
Request for Withdrawal of Proposal for Rate Riders for Disposition of
Deferral and Variance Accounts (EB-2010-0078)**

On October 15, 2010, Enersource Hydro Mississauga Inc. ("Enersource") submitted an application (EB-2010-0078) to the Ontario Energy Board (the "Board") seeking approval of distribution rates effective May 1, 2011, and related matters. As part of its application, Enersource sought the Board's approval for rate riders to refund to ratepayers the disposition of the balances of qualifying Group 1 deferral and variance accounts as at December 31, 2009. Enersource supported its proposal by providing evidence.

Subsequent to the filing of its application and evidence, a comprehensive review of Enersource's Group 1 deferral and variance accounts was commenced to ensure that their treatment is in accordance with the provisions of the Board's Accounting Procedures Handbook. As a result of this review, there may be changes to the Group 1 account balances and therefore disposition of these balances would not be prudent at this time. Furthermore, it is anticipated that this review may not be completed ahead of the scheduled filing of submissions by Board Staff and intervenors on January 25, 2011.

In order to ensure that the anticipated delay in the completion of Enersource's review of the above-described accounts does not result in a delay in the review and adjudication of Enersource's other proposals, and to ensure the timely implementation of its 2011 IRM rates, Enersource finds it appropriate to withdraw its proposal related to Group 1

deferral and variance accounts. Enersource hereby seeks the Board's approval to withdraw its proposal for rate riders to refund to ratepayers the disposition of the balances of qualifying Group 1 deferral and variance accounts as at December 31, 2009, including the related supporting evidence in Attachment E (the 2011 IRM3 Deferral and Variance Account Workform) and Tab 6 (Disposition of Deferral and Variance Accounts) of its application and evidence.

Enersource plans to file a separate application, based on the completed review of Group 1 deferral and variance accounts within the next three to six months. This application will seek to dispose of Group 1 deferral and variance account balances as at December 31, 2010 based on audited financial statements. This application is expected to propose a greater refund payable to ratepayers, than the amount originally proposed.

Should the Board require further information or clarification on Enersource's request, please do not hesitate to contact me at (905) 283-4098 or gdejulio@enersource.com.

Sincerely,

(Original signed by)

Gia M. DeJulio
Director, Regulatory Affairs

cc. Dan Pastoric, Executive Vice-President and Chief Operating Officer
Norman Wolff, Executive Vice-President and Chief Financial Officer
Michael Buonaguro, Counsel for VECC, mbuonaguro@piac.ca
Dr. Roger Higgin, Econalysis, rhiggin@econalysis.ca