

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

January 6, 2012

Michael Buonaguro  
Counsel  
c/o Public Interest Advocacy Centre  
34 King Street East, Suite 1102  
Toronto, ON M5C 2X8

Dear Mr. Buonaguro:

**Re: Hearst Power Distribution Company Limited (“Hearst”)  
2012 Incentive Regulation Mechanism Rate Application  
Board File Number EB-2011-0171  
Notice of Intervention of the Vulnerable Energy Consumers Coalition  
(“VECC”)**

The Board confirms VECC as an intervenor in the above noted proceeding, subject to Hearst's right of reply to your request within 14 calendar days from the filing of your notice of intervention.

The Board has determined that VECC is eligible to apply for an award of costs under its *Practice Direction on Cost Awards* (the “Practice Direction”) in relation to Hearst's proposal for lost revenue adjustment mechanism (“LRAM”) and revenue-to-cost ratio adjustments. The Board expects that cost claims in relation to revenue-to-cost ratio adjustments will be made only for matters that go beyond the implementation of previous Board Decisions.

With respect to the disposition of account 1562, the Board will not consider cost awards at this time as the application as filed appears to have no material inconsistencies with the various decisions made in the course of the Combined PILS proceeding (EB-2008-0381) including the use of the updated models containing the Excel worksheet ‘TAXREC 3’ as used by Halton Hills Hydro Inc.

The Practice Direction and related forms are available on the Board's website at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca).

Yours truly,

*Original signed by*

John Pickernell  
Assistant Board Secretary

cc: Ms. Shelley Grice, P. Eng, Econalysis Consulting Services  
Mr. Steven Blier, Hearst Power Distribution Company Limited