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**BY EMAIL**

January 20, 2012

To: All Licensed Electricity Distributors

**Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2012**

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board to calculate the monthly amount to be collected by the Independent Electricity System Operator (the "IESO") to provide compensation to qualifying distributors for rate protection provided to consumers. On January 20, 2012 the Board issued its EB-2012-0009 Decision and Order directing the IESO to adjust the charge for 2012. The EB-2012-0009 Decision and Order is attached.

### **Amount to be Charged by the IESO in 2012**

The EB-2012-0009 Decision and Order established the 2012 compensation amount for the following qualifying distributors, based on the rate decisions for those distributors:

- Hydro One Networks Inc.: for the amount of \$19,700,000 (EB-2009-0096);
- Hydro One Brampton Networks Inc.: \$167,655 (EB-2011-0174); and
- Horizon Utilities Corporation Inc.: \$8,480 (EB-2011-0172).

Therefore, the total amount to be collected by the IESO in the year 2012 is \$19,876,135, or \$1,656,345 per month (based on a 12 month recovery period).

The monthly amount billed to each distributor in the province will vary depending on the kWh withdrawn from the IESO-controlled grid for each month.

**Amount to be Charged by Distributors in 2012**

In determining amount to be collected from the IESO, the Board acknowledged that distributors will be passing on this charge to their electricity distribution customers through the Wholesale Market Service Charge ("WMSC") currently approved by the Board at \$0.0052 per kWh. It was the Board's view that at its current level, the RGCRP would have a minimal impact on balances in the WMSC variance account (Account 1580) and therefore did not adjust the WMSC. The WMSC will remain at its current level of \$0.0052 per kWh.

Yours truly,

*Original Signed By*

Kirsten Walli  
Board Secretary

Attachment