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July 26, 2012

Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
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Toronto, ON M4P 1E4

Attention: Ms Kirsten Walli
Board Secretary

Dear Ms. Walli:

Re: Hydro One Networks Inc.
Change to Electricity Distribution Rates
DRR Task Force Letter of Intervention
EB-2012-0136

We are counsel to the Distribution Regulation Review Task-Force (the "DRR Task Force").

The DRR Task Force is an initiative of the leading gas and electricity distribution utilities in Ontario aimed at encouraging thought and discussion on how the Ontario Energy Board's (the "Board" or the "OEB") approach to regulating energy distribution can be enhanced. These utilities are Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, Hydro Ottawa Limited, PowerStream Inc., Toronto Hydro Electric System Limited ("THESL"), Veridian Connections Inc., Enbridge Gas Distribution Inc., Hydro One Networks ("Hydro One"), and Union Gas Limited.

This proceeding addresses the treatment of the OEB's Incremental Capital Module ("ICM"). The members of the DRR Task Force are all subject to the Board's regulatory treatment of capital investment between cost of service rebasings and are therefore impacted by how the ICM is in interpreted and applied. The Task Force has worked on developing solutions to the regulatory treatment of capital investment for over the last two years.

The DRR Task Force (with the exception of Hydro One (the Applicant in this proceeding) and THESL (which has a similar proceeding before the Board)) requests intervenor status with respect to this proceeding. The DRR Task Force will not be seeking an award of costs.

The DRR Task Force's intervention will permit the presentation of a common viewpoint among members where there are common views. Some members of the DRR Task Force have either already intervened separately or may do so in the future.

Notice

We request that copies of all documents and correspondence pertaining to this proceeding be served on the DRR Task Force and its counsel as follows:

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We thank you for your attention to this matter and we trust that this letter will be sufficient for granting the DRR Task Force intervenor status in this proceeding. Should you have any questions or require any further information, please do not hesitate to contact me.

Sincerely,

Signed in the original

George Vegh

- c. **The Applicant:**
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