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August 12, 2012

VIA EMAIL & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2012-0136 Hydro One Networks
2013 Distribution Rates Application
Energy Probe – Submissions on Process and Draft Issues List**

Pursuant to Procedural Order No. 1, issued August 10, 2012, Energy Probe Research Foundation (Energy Probe) is hereby providing its comments in respect of the process and Draft Issues List in the EB-2012-0136 proceeding for the Board's consideration.

Energy Probe supports changes to the timetable for interrogatories and the hearing as proposed by the Applicant and supported by a number of other parties in the proceeding. We will not repeat the reasons provided by Hydro One Networks for the requested changes.

Further, Energy Probe strongly supports the request of the Applicant, backed by some other parties in the proceeding including the School Energy Coalition and the Canadian Manufacturers & Exporters, to have the Board reconsider its Decision to exclude the Density Study from the EB-2012-0136 proceeding.

The Board has been informed by Hydro One in its letter of August 14, 2012, that it "has not yet determined whether it will file a Cost of Service application in 2013 for the 2014 and 2015 test years, or an IRM application for 2014. That decision will be made following the Board's Decision in the EB-2012-0136 proceeding."

Energy Probe notes the letter to the Board from Balsam Lake Coalition, dated August 15, 2012, which draws our attention to the effect of prolonging an inequitable rate structure if the Board's Decision stands:

The approximately 157,000 seasonal customers of Hydro One Networks Inc. (HON) have suffered unfair pricing for many, many years.

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Energy Probe submits that it would be in the public interest for the Board to make an exception to its Incentive Regulation Mechanism modus operandi in this instance and reinstate the Density Study issue on the Issues List for this proceeding.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

A handwritten signature in dark ink, appearing to read "David S. MacIntosh". The signature is fluid and cursive, with the first name "David" being more prominent.

David S. MacIntosh
Case Manager

cc: Pasquale Catalano, Hydro One Networks Inc. (By email)
Donald H. Rogers, Rogers Partners LLP (By email)
Roger Higgin, Consultant to Energy Probe (By email)
Peter T. Faye, Counsel to Energy Probe (By email)
Interested Parties (By email)