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Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs

BY COURIER

September 27, 2012

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON.
M4P 1E4

Dear Ms. Walli:

EB-2012-0136 – Hydro One Networks' 2013 Distribution IRM Rate Application – Request for Declaring Existing Approved Rates as Interim

Hydro One Networks Inc. filed its 2013 Distribution IRM Rates Application EB-2012-0136 with the Board on June 15th, 2012.

On September 6, 2012, the OEB issued Procedural Order No. 2 with respect to the timing of interrogatories and intervenor evidence related to Hydro One Networks' Distribution Application. Procedural Order No. 2 is silent on the timing of activities beyond intervenor evidence, but it is our understanding that the oral hearing of this Application is not likely to begin until late November or early December of 2012. Consequently, it is likely the Board will not be able to issue an Order or Orders fixing final rates for 2013 in time for a January 1, 2013 implementation.

As a result, Hydro One Networks requests that its existing 2012 rates for the distribution of electricity approved under proceeding EB-2009-0096 be declared interim effective January 1, 2013.

Hydro One Networks makes this request on the basis that the delay in approving Hydro One Networks' requested revenue requirement and establishing the new 2013 rates represents a burden to Hydro One Networks.

Hydro One Networks proposes to establish a variance account to record the difference between the 2013 Board approved revenue requirement and the revenue calculated using currently

approved rates for the period from January 1, 2013 until such time as new rates are implemented. It is proposed that the balance in this account would be cleared by means of a rate rider over the remainder of 2013.

Approval of Hydro One Networks' request would be consistent with the Board's approval to declare existing rates as interim for Hydro One Networks in proceeding EB-2007-0681.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

c. EB-2012-0136 Intervenor