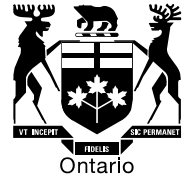


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**BY E-MAIL**

January 4, 2013

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

Dear Ms. Walli:

**Re: Newmarket-Tay Power Distribution Ltd.  
2012 IRM Rate Application  
Comments on Draft Rate Order  
Board File No. EB-2011-0184**

Please find attached Board Staff's comments on the draft Rate Order filed by Newmarket-Tay Power Distribution Ltd. on January 2, 2013.

Sincerely,

*Original signed by*

Daniel Kim  
Analyst – Applications & Regulatory Audit

Encl.

**Newmarket-Tay Power Distribution Ltd. (“Newmarket-Tay”)  
2012 IRM Application (EB-2011-0184)  
Board Staff Comments on Draft Rate Order**

On December 20, 2012, the Board issued its Decision and Order (the “Decision”) on Newmarket-Tay’s 2012 IRM rate application. The Decision required Newmarket-Tay to submit a draft Rate Order including a proposed Tariff of Rates and Charges within seven days of the issuance of the Decision. Newmarket-Tay submitted its draft Rate Order and proposed Tariff of Rates and Charges on January 2, 2013.

Board staff agrees that Newmarket-Tay has appropriately reflected the Board’s findings in its draft Rate Order, accompanying Excel models and proposed Tariff of Rates and Charges.

Board staff however notes the following on the proposed Tariff of Rates and Charges. When rounded to the fourth decimal place, the rate rider to recover the LRAM claim for the Residential rate class is zero. Typically the Board approves rates to the fourth decimal place, however the Board may wish to consider allowing Newmarket-Tay to round to the fifth decimal place in order to recover its entire LRAM claim for the above mentioned rate class. Board staff also notes that the unit under the Sentinel Lighting rate class for the Board approved Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013 for both the Newmarket and Tay service area should be based on a kilowatt basis and not kilowatt hour basis. The same issue applies to the same rate class for the Rate Rider for Deferred PILs Variance Account 1562 Disposition for both service areas.

Board staff also notes that in accordance with the EB-2012-0453 Decision with Reasons and Rate Order dated December 20, 2012, the current Rural or Remote Electricity Rate Protection charge used by rate regulated distributors to bill their customers is \$0.0011 per kilowatt hour, which was effective January 1, 2013.