

July 19, 2013

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File: 15441.00001

John Pickernell
Assistant Board Secretary
Ontario Energy Board
Suite 2701 - 2300 Yonge Street
Toronto ON M4P 1E4

Dear Mr. Pickernell:

**Re: Application for an Order Pursuant to Section 29 of the
Ontario Energy Board Act, 1998/ Board File No. EB-2013-0234**

We are counsel to Toronto Hydro-Electric System Limited in this matter. We have been instructed by our client to respond to your letter of July 12, 2013.

Our client's pre-filed evidence addresses the impact on ratepayers of the granting of the relief sought. There will be no adverse impact on the distribution function performed by our client's poles. The existing regulated rate for wireless attachments does not recover the full cost of such attachments, resulting in an effective subsidy by ratepayers of those attachments. By charging a market rate for such attachments there will no longer be a subsidy and, at a minimum, ratepayers will be held harmless.

The question, implicit in your letter, is how our client proposes to treat the excess of revenue over costs. Our client proposes to share the benefit of any such excess with its ratepayers. However, our client is at present unable to forecast the revenues from wireless attachments that may result from charging a market rate. In addition, our client has not decided on the mechanism by which that sharing will be accomplished. Because of those considerations, it is impossible to provide evidence of the kind suggested by your letter.

In those circumstances, we are instructed to advise you that our client undertakes to bring an application to the Board with a proposal for the treatment of any excess of revenues over costs. We are further instructed to advise you that our client will bring that application at an early opportunity following the disposition of its application under Section 29. The relevant evidence will be provided in support of that application.

Finally, we are instructed to advise you that our client will, in the interim, create a tracking account to record revenues and costs for all wireless attachments to its poles.

Yours truly,

WeirFoulds LLP

A handwritten signature in dark ink, appearing to read "Robert B. Warren", written in a cursive style.

Robert B. Warren

RBW/dh

cc: Toronto Hydro-Electric System Limited
Attention: Mr. R. Barrass
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