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via RESS e-filing – signed original to follow by courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited (“Toronto Hydro”)
Custom Incentive Rate-setting (“Custom IR”) Application for 2015 – 2019 Electricity
Distribution Rates and Charges
OEB File No. EB-2014-0116**

Toronto Hydro writes to the Ontario Energy Board (“OEB”) in respect of the above-noted matter.

Please find enclosed an electronic version of Toronto Hydro’s Custom IR Application for 2015 – 2019 Electricity Distribution Rates and Charges. Two physical copies of the Application will follow shortly via courier.

While Toronto Hydro has aligned this Application with the OEB’s guidance in many core respects,¹ it was prepared under the OEB’s Custom IR method and contains unique structural and substantive elements. As the Application addresses a five-year period of significant activity, Toronto Hydro respectfully requests that the OEB provide for an “evidence conference” following interrogatories and preceding the technical conference. The evidence conference would be an opportunity for Toronto Hydro witnesses to provide OEB panel members and other parties with an overview of the central, custom components of the Application. Toronto Hydro proposes that information provided at the evidence conference would be transcribed and form part of the record of the proceeding. It is Toronto Hydro’s hope that this procedural step will help clarify its requests and proposals, ultimately expediting and simplifying subsequent stages of the proceeding.

While finalizing the Application, Toronto Hydro has identified a small number of inconsistencies between the financial information and the relief requested in the Application. For example, Toronto Hydro has requested approval of changes to its specific service charges, resulting in increased revenue offsets. However, the corresponding decrease in revenue requirement is not reflected in the evidence as-filed. Toronto Hydro proposes to update the evidence in the normal course, by the early fall. While

¹ Alignment with the Renewed Regulatory Framework for Electricity Distributors and the Filing Requirements is discussed in detail in Exhibit 1B, Tab 2, Schedule 2.

Toronto Hydro is in the process of addressing these inconsistencies, it does not currently expect that any will have a material effect on the Application.

Toronto Hydro encloses live Excel versions of the following documents:

- PILs model for Bridge and Test Years (Exhibit 4B, Tab 2, Schedule 2)
- Revenue Requirement Workform Model for 2015 Filers (Exhibit 6, Tab 1, Schedule 2)
- Cost Allocation Model (Exhibit 7, Tab 1, Schedule 2)
- Retail Transmission Service Rates Model (Exhibit 8, Tab 6, Schedule 1)
- Fixed Asset Continuity Schedule (Exhibit 2A, Tab 1, Schedule 2)
- Capital Expenditures Summary (Exhibit 2A, Tab 6, Schedule 3)
- Deferral and Variance Accounts Continuity Schedules (Exhibit 9, Tab 2, Schedule 1)
- Load Forecast Model Input Data (Exhibit 3, Tab 1, Schedule 1)

A small number of documents within the Application contain confidential information. Under separate cover, Toronto Hydro requests that this information be treated confidentially, pursuant to the OEB's *Rules of Practice and Procedure* and *Practice Direction on Confidential Filings*.

Please do not hesitate to contact me if you have any questions.

Yours truly,



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:RB/km

cc: Charles Keizer and Crawford Smith of Torys LLP, Counsel for THESL, by electronic mail only