



RP-2004-0100
EB-2004-0354

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O.
1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by Toronto Hydro-
Electric System Limited for an order or orders approving or
fixing just and reasonable rates pertaining to the Final
Recovery of Regulatory Assets - Phase 2.

BEFORE: Paul Vlahos
Presiding Member

Cynthia Chaplin
Member

INTERIM ORDER

In s.9.0.13 of the December 9, 2004 Decision with Reasons regarding Phase 2 of the Review and Recovery of Regulatory Assets ("the Decision"), Toronto Hydro-Electric-System Limited ("Toronto Hydro") was directed to file revised information with the Board within 10 days of receiving the Board's Order on Hydro One Networks Inc. ("Hydro One's") charges to its embedded distributors.

On December 20, 2004, Hydro One submitted its revised information in accordance with s.9.0.9 and s.9.0.10 of the Decision. On January 10, 2005, the Board issued its Order on Hydro One's charges to its embedded distributors.

On January 17, 2005, Toronto Hydro filed its revised balances in accordance with s.9.0.12 and s.9.0.13 of the Decision. On February 3, 2005, Toronto Hydro filed a revised rate rider calculation including an amendment to the General Service >50 kW and General Service > 1000 kW classes.

On February 11, 2005 the Board issued a Procedural Order directing Toronto Hydro to submit a supplementary filing outlining among other things, the impacts of the billing error treatment on its financial statements. On February 21, 2005, Toronto Hydro submitted its supplementary filing. Intervenors were given 10 days to file submissions on these filings. The Board did not receive submissions from any of the other parties to this proceeding. Consequently, Toronto Hydro did not file a reply submission.

Although the Board appreciates the level of detail and rigour displayed in the supplementary filing, Toronto Hydro did not provide the impacts on its financial statements. The applicant submitted that securities regulations as set out by the Ontario Securities Commission do not allow for the disclosure of all or any part of Toronto Hydro's financial statements while these statements are still in the course of being audited and/or waiting final approval by the Corporation's Board of Directors. Toronto Hydro stated that its 2004 financial statements were expected to be released no sooner than March 31, 2005.

Consequently, the Board finds that the supplementary filing submitted by Toronto Hydro is not sufficient to merit final approval of the regulatory asset account balances nor the final rate riders. Therefore, the Board deems it appropriate to approve the regulatory asset account balances and rate riders on an interim basis until such time as the Board has an opportunity to review Toronto Hydro's financial statements and any related material. Therefore,

THE BOARD ORDERS THAT:

1. Toronto Hydro is granted interim approval for its regulatory asset account balances as filed on January 17, 2005 and amended on February 3, 2005. Interim approval is further granted for the recovery of the amounts allocated to customer classes and for this recovery to take place through the application of class specific rate riders beginning April 1, 2005.

2. The rate schedule attached is approved on an interim basis, to be included in the 2005 distribution rate adjustment process for an April 1, 2005 implementation.

DATED AT Toronto, March 14, 2005.

Ontario Energy Board

Peter H. O'Dell
Assistant Board Secretary