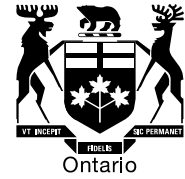


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VIA E-MAIL AND WEB POSTING

September 6, 2011

To: All Licensed Electricity Distributors

Re: **2012 IRM Process**

Today, the Board has issued an updated version of the 2012 IRM Rate Generator Model for distributors to complete as part of their 2012 electricity rate applications. Distributors will find the model under the “Update” section on the Board’s 2012 Electricity Distribution Rate Applications webpage at <http://www.oeb.gov.on.ca/OEB/Industry>.

- 2012 IRM Rate Generator Model (Version 1.2)
 - Updates were made to Sheet 10 “Billing Det. For Def_Var” and Sheet 11 “Cost Allocation Def_Var”. With the update, the model will now calculate deferral/variance account rate riders only if the applicant has met the threshold test. If the threshold test has not been met, the model will now not allocate Group 1 balances to the classes and will only calculate rate riders for accounts 1521 and 1562. For those that are not seeking to dispose of account 1562, no amounts should be entered into row 40 of Sheet 9 “2012 Cont. Schedule”.
 - Updates were made to Sheet 17 “GDP-IPI – X”. The model now takes into consideration the Revenue/Cost Ratio Adjustments when adjusting the proposed monthly fixed charge for the price cap adjustment (if applicable).
 - Updates were made to Sheet 19 “Other Charges”. Cells E28 and E29 in order to display four decimal places.

- Updates were made to Sheet 20 “2012 Final Tariff”. *Effective Until* dates now appear on all rate riders (where applicable).
- Updates were made to Sheet 21 “Bill Impacts” to ensure that all distribution volumetric rate riders were captured in order to calculate the correct bill impact.

Yours truly

Original Signed By

John Pickernell
Assistant Board Secretary