

1 **PLANNED DISPOSITION OF REGULATORY ASSETS**

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3 **1.0 INTRODUCTION**

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5 The purpose of this evidence is to outline the planned disposition of Regulatory Assets.

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7 **2.0 PLANNED DISPOSITION OF REGULATORY ASSETS**

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9 Hydro One Distribution is requesting approval to refund over a two year period the Regulatory
10 Asset total balance of \$(25.8) million, or \$(12.9) million per year.

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12 Hydro One Distribution is requesting disposition of Regulatory Asset balances up to
13 December 31, 2009. Balances as of December 31, 2009 are reasonably predictable. For the
14 purposes of this filing, December 31, 2009 was chosen as it is assumed approved Distribution
15 rates will be in place at the beginning of January 2010.

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17 Hydro One Distribution's requested refund to customers of \$(25.8) million is detailed in
18 Table 1:

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Table 1
Distribution
Disposition of Regulatory Asset Balances (\$ Millions)

Description	Balance Dec 31, 2009
Retail Cost Variance Account	(1.9)
Smart Meter Minimum Functionality Under-recovery up to Dec 31, 2008	0.9
Smart Meter Exceeding Minimum Functionality Under-recovery up to Dec 31, 2008	1.1
Retail Settlement Variance Accounts	(2.9)
Regulatory Asset Recovery Phase I	(23.0)
Total Requested for Disposition	(25.8)

Hydro One Distribution is requesting to refund to customers the amounts detailed in Table 1 over a two year period.

A Regulatory Asset Recovery Account will be established for any difference between the amount of Regulatory Assets approved and the actual value of the Regulatory Assets detailed above as at December 31, 2009. This variance will continue to be tracked and will be interest improved on a monthly basis (using a simple interest calculation) at the OEB approved rate. This account will be reported to the Board on a quarterly basis consistent with the Electricity Reporting and Record Keeping Requirements.