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August 20, 2012

Kirsten Walli,
Board Secretary
Ontario Energy Board,
2300 Yonge Street
Suite 2700, P.O. Box 2319 Toronto, Ontario
M4P, 1E4 Canada

Dear Ms. Walli:

Re: Request to Transfer to Tranche 6 for IRM filing.
Case Number: EB-2012-0105.

Atikokan Hydro Inc. is in receipt of the Board's e-mail to all Licensed Distributors, dated July 26, entitled: "Process for 2013 Incentive Rate Mechanism ("IRM") Distribution Rate Applications." In Table 1 of this letter, it identifies that Atikokan Hydro Inc. is included in Tranche 2 with a Filing Date of 28-Sept-12.

This letter is a request to the OEB asking that Atikokan Hydro Inc. is either:

1. Treated similar to those LDCs mentioned in Footnote 1 of Table 1 of the OEB's letter dated July 26, 2012 as Atikokan Hydro Inc. is also part-way through its 2012 Cost of Service proceeding with 2012 rates yet to be approved by the OEB;
2. Or, the LDC's 2013 IRM filing date is amended to 09-Nov-12 and to be included in Tranche 6.

Atikokan Hydro Inc. is making a request for an extension to its 2013 IRM filing date to the OEB based upon the following factors:

1. Atikokan Hydro Inc. has received a decision regarding its 2012 Cost of Service rate application [EB-2011-0293], but still does not have its draft rate order approved. As part of the decision, the Board has ordered a "regulatory audit" with regards to our smart meter cost recovery

The Board will direct the Regulatory Accounting and Audit branch of the Board to conduct an audit of Atikokan's smart meter costs. The results of the audit will be considered by the Board with respect to the final amounts to be authorized for recovery in a future application to be filed by Atikokan no later than 6 months from the completion of the subject audit.

2. Atikokan Hydro has been working with the Regulatory Accounting and Audit Branch for several months now, and the Regulatory Accounting and Audit Branch

has decided to conduct a further regulatory audit into the financial viability of Atikokan Hydro.

3. On June 28, 2012 Atikokan Hydro completed the "2013 IRM Survey - Atikokan Hydro Inc." survey and indicated a maybe for smart meter prudence. Given that we were still working with our 2012 Cost of Service study, and that our IRM filing may well be minimal in nature, we had hoped for a later tranche.

In summary:

- a. While Atikokan Hydro is hopeful that the draft rate order will be approved by the Board in the near future, Atikokan Hydro does not know if the Board will require more information.
- b. Given that Atikokan Hydro is involved by two regulatory audits, and has been advised by Board Staff conducting those audits that the regulatory audits take precedence over all other activities including IRM filing, and Atikokan Hydro must also implement the rates in the draft rate order when approved, it is not likely that Atikokan Hydro will be able to complete a proper IRM application by September 28, 2012.

Atikokan Hydro respectfully requests that the Board either move Atikokan Hydro to Tranche 6, or extend the due date of the 2013 IRM by a time line of 60 days beyond the approval of draft rates for EB-2011-0293 **and** the completion of the regulatory audits. This will allow Atikokan Hydro to concentrate on all items before the Board in a meaningful manner.

Should you require any further information, please contact the undersigned.

Sincerely



Wilf Thorburn
CEO / Sec / Treas
Atikokan Hydro Inc.