



June 30, 2011

**BY EMAIL/COURIER**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON  
M4P 1E4

Dear Ms. Walli,

**RE: Whitby Hydro Electric Corporation  
Application for 2012 Electricity Distribution Rates (EB- 2011-0206)**

As requested in the June 22, 2011 letter issued by the Managing Director of Applications and Regulatory Audit, Whitby Hydro Electric Corporation ('Whitby Hydro') has completed and filed a response to the 2012 IRM Survey. In the "other" section of the survey, Whitby Hydro respectfully indicated a preferred filing deadline of September 30, 2011.

As a follow-up to the survey, Whitby Hydro would like to outline the primary reasons for its request:

- Whitby Hydro recently completed a successful settlement for 2011 rates effective January 1, 2011 through a cost of service filing. As such, 2012 will be the first year Whitby Hydro files a 3<sup>rd</sup> generation IRM application. It is Whitby Hydro's understanding that the Rate Generator model will not be available until the end of July and would like to ensure that sufficient time is allowed to become familiar with the model, test it and complete the requirements necessary. Whitby Hydro notes that in the most recent update (June 22, 2011) to Chapter 3 of the Filing Requirements for Transmission and Distribution Applications ('Filing Requirements'), Section 1.5 specifically puts an onus on distributors to ensure the accuracy and appropriateness of any models used in supporting an application. Although, Whitby Hydro could develop its own model, it seems more appropriate and cost effective to use a Board Staff developed model where available (assuming there are no unique distributor specific requirements that would not be addressed in a generic model). However, given the current timeline of the model release, coupled

with a first time filing on a 3<sup>rd</sup> generation IRM basis, Whitby Hydro feels that an end of September deadline is not unreasonable.

- After reviewing the Filing Requirements, Whitby Hydro has become aware of additional filing requirements related to LRAM/SSM that will need to be met as part of the 2012 IRM application. Whitby Hydro has filed an LRAM application for CDM activities up to 2008 but would have to address the 2009-2010 activities, or otherwise forgo this recovery. Whitby Hydro had not anticipated this deadline and while 2010 OPA reported results have not yet been issued, Whitby Hydro hopes that they will be available to incorporate into a 2012 IRM application by the end of September. Whitby Hydro will also have to gather resources and data to complete an LRAM/SSM application and engage a third party review all within a relatively short period of time.
- Based on a recent Board Decision (EB-2008-0381) issued on June 24, 2011, the Board has indicated. "Each remaining distributor will be expected to apply for final disposition of account 1562 with its next general rates application (either IRM or cost of service)" <sup>1</sup> Whitby Hydro was not originally anticipating that this requirement would be part of its 2012 IRM application, and wishes to advise the Board that it will need additional time and resources to fully understand the issues and complete the requirements and modeling necessary. It is anticipated that third party resources and expertise will be engaged as part of this process.

Whitby Hydro understands that the recent Filing Requirements indicate that for those distributors whose rate year is aligned with their fiscal year (implementation of January 1<sup>st</sup>), the application deadline would otherwise be August 15<sup>th</sup>, 2011 however, Whitby Hydro respectfully requests a filing deadline of September 30<sup>th</sup>, 2011 for the reasons outlined above.

Should you require any further information or clarification, please contact me directly.

Respectfully submitted,

*Original Signed By*

Ramona Abi-Rashed  
Treasurer

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<sup>1</sup> EB-2008-0381 Account 1562 Deferred PILs Combined Proceeding Enwin Utilities Ltd., Halton Hills Hydro Inc. and Barrie Hydro Distribution Inc. p.28