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August 28, 2012

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

**Re: EB-2012-0107 Bluewater Power Rebasing Application**

Dear Ms. Walli:

We are writing to advise the Board that, despite our best efforts, we will not be in a position to file our cost of service distribution rate application by the end of this month. We continue to work toward a timely filing, but the reasons that have caused our delay have been significant. They include:

- Bluewater Power personnel have been engaged in its final smart meter disposition proceeding (EB-2012-0263). Although it was the utility's choice to file for disposition separately from the Cost of Service Application, that choice was driven by the cash flow pressure and desire to smooth customer bill impacts. The decision follows from the Board's decision in EB-2011-0153 to deny Bluewater Power's request to continue collection of the Smart Meter Funding Adder until April of 2013;
- By letter from the OEB dated July 17, 2012, Bluewater Power was informed that it would be the subject of an Audit Review of Compliance with the Affiliate Relationships Code. That audit review is not yet closed, but we expect that it will be complete in the near future; and
- The additional work associated with the June 28, 2012 release of the Ontario Energy Board's Filing Requirements, including revised direction regarding IFRS.

Bluewater Power will be filing a complete and thorough application for its 2013 Cost of Service, and we expect to file that application on, or before, October 12, 2012.

Sincerely,

A handwritten signature in black ink, appearing to read "AP", is located below the "Sincerely," text.

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