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May 8, 2013

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
26th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

**Re: Ottawa River Power Corporation
2014 Rate Application
EB-2013-0163**

Dear Ms. Walli:

Through this letter, Ottawa River Power Corporation (ORPC) requests that the Ontario Energy Board (Board) permit ORPC to file its application for 2014 electricity delivery rates according to the Board's Annual Incentive Rate-setting Index (Annual IR) process.

Ottawa River Power Corporation is making this deferral request based on a few things. Firstly, ORPC is currently earning an acceptable and stable return on equity. Its last Cost of Service Application was made in 2010 with rates implemented on January 1, 2011. For the years ended December 31, 2011 and December 31, 2012, Ottawa River Power Corporation was within the ± 300 basis point of the ROE dead band.

In addition, ORPC does not anticipate any material deviations over the next year or two. The revenues from current rates are sufficient for Ottawa River Power Corporation to meet its obligations to its ratepayers, and shareholders. ORPC's capital expenditures are relatively stable from year-to year and ORPC's financial statements demonstrate that on-going re-investment in the distribution system is occurring.

Secondly, Ottawa River Power Corporation has just filed its 2012 system reliability indicators and electricity service quality requirements and ORPC is achieving all Board targets. Again it does not foresee any compliance issues in the near future.

Thirdly, the Board's mounting cost of service filing requirements and hearing procedures and thus the increasing expenses to prepare various studies and reports to prepare and present the application could potentially be the only revenue requirement above what ORPC has already received in its past COS rates. Along with this is the time commitment and workload of staff. The President and Chief Executive Officer of ORPC is retiring within a few months with the process of hiring his replacement currently taking place. The current CEO is also the corporation's engineer and it will take some time to have that technical expertise again.

The Board's Renewed Regulatory Framework for Electricity and more specifically the Annual IR process, is perfect for Ottawa River Power Corporation's current position. That is, the considerable cost of preparing and presenting a COS is not warranted in the circumstances. The change in revenue through a COS rate adjustment would not be materially different from that achievable through a much more cost-effective Annual IR option. It is in our customer's best interest to minimize regulatory and utility costs by choosing the Annual IR.

Ottawa River Power Corporation will be filing a Smart Meter Application before its 2014 rate application in order to seek final disposition of its Smart Meter deferral and variance accounts.

Ottawa River Power Corporation respectfully submits their belief that there is sufficient evidence and rationale for the Board to allow ORPC to file their 2014 distribution rates using the Annual Incentive Rate-setting Index process. ORPC also realizes that as per the Board's letter of December 11, 2012 that ORPC was required to file this letter by April 26, 2013. I apologize for the delay in filing but due to staff illness in April it was not possible to do so.

Kind Regards,

A handwritten signature in black ink, appearing to read 'J Wilkin', with a long horizontal flourish extending to the right.

Jane Wilkinson-Donnelly, CMA
Chief Financial Officer

This document is being filed pursuant to the Board's e-Filing Services.