



November 7, 2013

BY EMAIL/COURIER

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

Dear Ms. Walli,

**RE: Whitby Hydro Electric Corporation
2015 Cost of Service Application – Deferral Request**

Whitby Hydro Electric Corporation (“Whitby Hydro”) is scheduled to file a Cost of Service (COS) application for rates effective January 1, 2015. For the reasons outlined below, Whitby Hydro respectfully requests a one year deferral of its application and anticipates filing a COS application for 2016 rates.

- Whitby Hydro is in the process of working towards a more comprehensive Asset Management approach which will provide improved support for longer term capital planning. Significant planning and resource requirements are necessary to complete this work as this will be the foundation of the cost of service application.
- Whitby Hydro is in various stages of other significant projects including: a CIS upgrade (which will include a secondary project to migrate to new report writing software); development and implementation of key performance indicators; and a new outage management system. These efforts will require the ongoing commitment of key resources, including those that will play a significant role in the preparation of the COS application.
- From a historical perspective, Whitby Hydro’s system reliability indicators and electricity service quality requirements demonstrate a strong track record. Implementation of the new outage management system will allow us to further refine data to improve reporting which will assist in the budget/planning process and COS . Our relatively new telephone system is now starting to provide us with more complete data and a better understanding of customer service related response metrics which we continue to monitor and address as needed. Whitby Hydro does not foresee any areas of concern related to system reliability or service quality in the 2013-2015 period prior to the COS application.

- Whitby Hydro's financial position is stable and Whitby Hydro does not foresee any concern with sustaining its financial health an additional year under the IRM process. For the year ending December 31, 2012, Whitby Hydro was within the ± 300 basis points of the ROE dead band and does not foresee this changing during the 2013-2015 period.

Whitby Hydro believes that deferring the rate rebasing application will enhance the quality of our next cost of service submission and respectfully asks that the Board consider and approve this request.

Please feel free to contact me if you have any questions.

Regards,

Original Signed By

Ramona Abi-Rashed
Treasurer