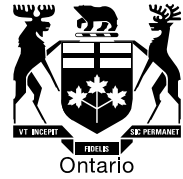


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BY EMAIL

December 6, 2013

Ontario Energy Board
P.O. Box 2319
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2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Kenora Hydro Electric Corporation Ltd. ("Kenora Hydro")
2014 Annual IR Index Distribution Rate Application
Board Staff Submission
Board File No. EB-2013-0145**

In accordance with Procedural Order No. 1, dated November 5, 2013, written submissions by Board staff must be filed with the Board and delivered to Kenora Hydro by December 6, 2013. Board staff has reviewed Kenora Hydro's 2014 application and its responses to interrogatories and, except for the item identified in the following paragraph, has no concerns with the application and the changes agreed to by the applicant.

Board staff notes that in the continuity schedule of the Rate Generator Model, Kenora Hydro has included a credit of \$3,198 in Account 1568 – Lost Revenue Adjustment Mechanism variance account ("LRAMVA"). There is no mention in Kenora Hydro's Manager's Summary of the disposition of this balance. By way of this submission, which is copied to Kenora Hydro, Board staff requests Kenora Hydro to confirm whether it proposes to dispose of its LRAMVA in this proceeding.

Kenora Hydro's Reply Submission is due by December 20, 2013.

Yours truly,

Original Signed By

Daniel Kim
Analyst, Applications & Regulatory Audit