



Albert P. Singh, MBA, CGA
Vice-President, Finance & CFO

WATERLOO NORTH HYDRO INC.

PO Box 640
526 Country Squire Rd.
Waterloo ON N2J 4A3
Telephone 519-888-5542
Fax 519-886-8592
E-mail asingh@wnhydro.com
www.wnhydro.com

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Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms Walli:

Re: May 1, 2014 IRM Reply Submission EB-2013-0176

Waterloo North Hydro Inc. (WNH) hereby submits its Reply Submission to Board Staff's Submission of January 30, 2014. WNH has enclosed two (2) hard copies of the Reply Submission.

WNH has previously forwarded the PDF version of the Reply Submission via the Board's web portal.

If there are any questions, please contact Chris Amos at 519-888-5541, camos@wnhydro.com or myself at 519-888-5542, asingh@wnhydro.com.

Yours truly,

Original Signed By

Albert P. Singh, MBA, CGA
Vice-President, Finance and CFO

Waterloo North Hydro Inc.

Reply Submission

2014 ELECTRICITY DISTRIBUTION RATES EB-2013-0176

Waterloo North Hydro Inc. (“WNH”) filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on October 23, 2014, seeking approval for changes to the distribution rates that Waterloo North Hydro charges for electricity distribution, to be effective May 1, 2014. The Application is based on the 2014 4th Generation Incentive Regulation Mechanism (“IRM”).

Waterloo North Hydro Inc. (WNH) has provided its Reply Submission to the Board Staff Submission of January 30, 2014 below.

Application

Board staff state in its Submission that it “has reviewed Waterloo North Hydro’s 2014 IRM application and its responses to interrogatories and has no concerns with the application.”

WNH concurs with this position.

Deferral and Variance Accounts

Waterloo North Hydro completed the Deferral and Variance Account continuity schedule included in the 2014 IRM Rate Generator Model at Tab 5 for its Group 1 Deferral and Variance Accounts. WNH’s Total Group 1 Deferral and Variance Account balances exceeded the Board’s threshold of \$.001/kWh, and as such, Waterloo North Hydro requested disposition of these accounts over a one year period.

Board Staff noted in its Submission “Waterloo North Hydro’s proposed one-year disposition period is consistent with the guidelines outlined in the *Report of the Board on Electricity Distributors’ Deferral and Variance Account Review Initiative*. Therefore, Board staff has no issues with this request.”

WNH concurs with this position.