

January 29, 2015

VIA E-MAIL

Ms. Kirsten Walli
ONTARIO ENERGY BOARD
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Dear Ms. Walli:

Re: EB-2014-0101: Oshawa PUC Networks Inc. (OPUCN) 2015-2019 Rates.

Application.

As legal counsel to OPUCN in the captioned matter, we are pleased to file with the Board OPUCN's Application for approval of a Custom IR Rate Plan and resulting distribution rates for the 2015 through 2019 test years.

Enclosed please find 2 hard copies and one electronic copy (in PDF searchable format) of the Application and supporting evidence. A copy of the application and supporting evidence has also been filed through the Board's RESS. We have copied this transmittal letter by e-mail to the intervenors of record in OPUCN's last cost of service application (EB-2011-0073) and its annual rate adjustment applications since then (EB-2012-0157 for 2013 rates, and EB-2013-0162 for 2014 rates). Due to the size of the electronic files, we have not included those files in the intervenor e-mails, but note that the documents will be retrievable by those interested from RESS. We would be happy to provide copies on disk upon request.

As indicated in OPUCN's letter to the Board dated December 22nd, 2014, in which letter OPUCN requested that its current rates be declared interim as of January 1, 2015 (which request was subsequently granted, without prejudice to the positions of any party on the final effective date for 2015 rates), despite its diligent efforts, a delay in filing has resulted from the scale and scope of the application. This application involves;

- i. comprehensive cost forecasts, cost allocation and rate modelling for 5 test years;
- ii. a comprehensive 5 year Distribution System Plan prepared in accord with Chapter 5 of the Board's *Filing Requirements for Transmission and Distribution Applications* (March 28, 2013);

- iii. a number of supporting external reviews/reports commissioned at the end of 2013 and through 2014 which provide third party review and benchmarking of OPUCN's Capital Investment Plan and OM&A cost forecasts; and
- iv. two innovative efficiency incentive mechanisms which, if approved, will provide strong incentives for continued efficiencies in both operating costs and capital expenditures.

OPUCN is confident that the resulting 5 year Custom IR Rate Plan responds to all of the Board's *Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* (RRFE) requirements, and will result in regulatory efficiency over the plan term, strong cost efficiency incentives, and an appropriate risk/reward balance as between the utility and its customers.

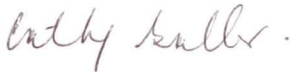
In light of the intended scope for this application, OPUCN convened a half day meeting with Board Staff and intervenors in its recent rate applications. At that meeting, held August 25, 2014, OPUCN reviewed the parameters of its proposed Custom IR Plan and took feedback.

As a follow-up to that earlier meeting, OPUCN requests that the Board consider establishing a one day "technical conference" as soon after the close of the formal intervention period as can be reasonably accommodated. This procedural step would allow OPUCN to present to Board Staff and intervenors an overview of its now finalized application, and to answer questions regarding the structure and intent of each of the main elements of the application, and the interrelationship of each of these main elements with the others. OPUCN would be pleased to receive written questions on these and related topics in advance of the Technical Conference and would try to answer them at the conference. The conference could be transcribed. OPUCN would also be prepared to provide undertakings to respond to any suitable questions which it cannot respond to immediately.

We believe that such an early opportunity for OPUCN to update Board Staff and intervenors on its now finalized Custom IR Plan application will render the balance of the application review process, including the formal interrogatory process, more efficient.

OPUCN looks forward to working with Board Staff and intervenors towards a successful and timely outcome to this application.

Yours truly,



for: Ian A. Mondrow

- c. Phil Martin, OPUCN
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