



April 24, 2015

Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

**Re: E.L.K. Energy Inc.
Distribution License ED- ED-2003-0015
Re: E.L.K. Energy Inc 2016 Cost of Service Application Deferral request**

Dear Ms. Walli:

E.L.K. Energy Inc. (E.L.K.) is scheduled to file a Cost of Service application for rates effective May 1, 2016. E.L.K. respectfully requests to defer filing a cost of service for rates effective May 1, 2016 rates to May 1, 2017.

E.L.K.'s customer base has not changed significantly and E.L.K.'s costs are stable since the 2012 cost of service application and decision. Given the fact that our customer base is stable and costs are stable, E.L.K. would seek permission to defer filing a 2016 Cost of Service application. E.L.K. would request to file on an annual IRM basis for rates effective May 1, 2016.

In addition, E.L.K. is highly involved with respect to the active proceeding EB-2013-0421: Hydro One Networks' Leave to Construct Supply to Essex County Transmission Reinforcement. Under the proposed methodology for allocating project costs, 77.5% of the costs would be allocated to distributors. It appears that the rate base increase resulting from Hydro One proposed methodology could be approximately 100%-115% percent of E.L.K. The interrogatory stage is currently ongoing, and understanding the methodology being used as well as the outcome and effect on E.L.K. rates is not yet know. E.L.K. is currently devoting a significant amount of resources, those being the same who work on the cost of service, to follow and participate in this proceeding. The impacts to E.L.K. distributions rates could be significant depending on the outcome. Given the significant materiality of this proceeding and the aforementioned reasons above, E.L.K. would request a deferral of our 2016 COS. This would also provide E.L.K. with additional time to follow the proceeding above which could significantly impact E.L.K.'s next Cost of Service application.

In conclusion, given the above, E.L.K. respectfully asks that the requirement to file a cost of service be deferred from the 2016 schedule, and that E.L.K. be allowed to continue to file on an annual IRM basis.

Sincerely

Mark Danelon

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