



January 5, 2016

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

Attention: Ms. Kirsten Walli, Board Secretary

Regarding: Request for deferral of Cost of Service Application from 2017 to 2018

Dear Ms. Walli,

As noted in the Board's letter dated December 29, 2015, Centre Wellington Hydro Ltd. (CWH) is scheduled to file a Cost of Service application for rates effective May 1, 2017. Centre Wellington Hydro respectfully requests a deferral from this rebasing schedule and requests a Cost of Service application to be filed for rates effective January 1, 2018.

CWH considered several factors in determining whether a deferral was possible and whether it would be in the best interest of all stakeholders. In doing so, the utility looked at the following factors;

- Aligning rates with the utility's fiscal year.
- Past and projected earnings
- Past and current safety and reliability performances.
- Available regulatory resources
- Implications of additional third generation IRM filing for the period (May 1, 2017 – December 31, 2017)

CWH believes the benefits of aligning rate year with the fiscal year are considerable in that

aligning distribution rates with the expenses upon which the rates are granted serve to eliminate certain administrative burdens.

CWH notes that since its last Cost of Service in 2013, the utility's Return on Equity has been within the 300 basis points from the Board-approved return of 8.98%. The "Achieved" Rate of Return for 2013 was 10.40% and 10.76% for 2014. Using preliminary unaudited balances for 2015, CWH anticipates that its Achieved Rate of Return for 2015 will also fall within the 300 basis points from the Board-approved return.

With respect to Safety and Reliability measures, CWH's scorecard, measures indicate that the utility is maintaining its scores at a more than adequate level.

Lastly, with respect to resources available to work on a Cost of Service application, the utility's Deputy Treasurer who is responsible for matters related to regulatory affairs is currently on maternity leave returning in July of 2017. Being a small utility with limited resources, the utility feels that the Deputy Treasurer's involvement is essential in CWH filing a complete and comprehensive Cost of Service application.

Given all of the above arguments, CWH feels it is reasonable and justifiable for the OEB to approve the utility's request for a deferral in filing its Cost of Service application.

Should the board have questions regarding this matter please contact Florence Thiessen at fthiessen@cwhydro.ca or Wayne Dyce at wdyce@cwhydro.ca.

Respectfully Submitted,

Original Signed by:

Wayne Dyce, President / Secretary
Centre Wellington Hydro Ltd.