



February 21, 2018

Shuo Zhang
Ontario Energy Board
P. O. Box 2319, Suite 2700
Toronto, ON M4P 1E4

**Re: EB-2017-0076 – Tillsonburg Hydro Inc 2018 IRM Application – Group 1 Deferral
Account Disposition Delay**

After review of the OEB Staff IR's and discussions with the Rates Group assigned to the file referenced above, Tillsonburg Hydro Inc. is requesting to withdraw the application for disposition of Group 1 Deferral Accounts contained within EB-2017-0076. For reference the amount originally requested was for \$593K to be provided back to customers and calculated to approximately \$0.003 / kWh.

Tillsonburg Hydro realized that these values are above the threshold that would normally allow for the disposition to be delayed, however, in light of the questions posed by OEB Staff, Tillsonburg Hydro Inc. is submitting that the numbers as submitted are not up to the standards required to provide a final disposition and that it serves both Tillsonburg Hydro and our customers to ensure the variance accounts are accurately reflected prior to disposition.

Tillsonburg Hydro Inc. is proposing that an internal review be performed on our settlement processes and the balances in the 1588 COP and 1589 GA accounts be undertaken during 2018. This will allow for Tillsonburg Hydro Inc. to ensure that the values being requested for disposition are accurate and will be resubmitted for OEB review as part of our 2019 rate application.

Tillsonburg Hydro Inc. submits that by continuing to apply the approved interest rates on variance accounts, the customers will receive the "time-value-of-money" on the disposition amounts requested to be withdrawn from the application and will keep the customers whole during this 1-year delay in disposition.

Please contact me directly for any further information requirements.

Yours truly,

A handwritten signature in blue ink, appearing to read "Ian McKenzie", is written over a blue horizontal line.

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