



PUC Distribution Inc.
765 QUEEN STREET EAST, P.O. Box 9000
SAULT STE. MARIE, ONTARIO, P6A 6P2

March 10, 2011

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

Attention: Ms. Walli

Re: PUC Distribution Inc.
Request for Deferral of Scheduled Rebasing for 2012 Rates

On March 1st, 2011 the Ontario Energy Board issued a letter indentifying the distributors that are expected to file a cost of service rate application in respect of their 2012 rates. PUC Distribution Inc.'s rates were last rebased in 2008 and PUC has been included on the list of distributors attached as Appendix A to the Boards letter for rebasing of their 2012 rates. PUC Distribution respectfully requests a departure from this rebasing schedule and a one year deferral of the cost of service application.

PUC Distribution believes deferring our rate rebasing until 2013 will greatly enhance the quality and timelines of our submission. PUC Distribution is currently implementing a multitude of new and on-going initiatives including transition to IFRS, installation of smart meters and associated time-of-use rates, Green Energy Act and Green Energy Plan, Conservation and Demand Management, a formal Asset Management Plan and several other initiatives that significant resources are devoted to. PUC Distribution also recently had an unexpected resource change with the departure of key senior financial manager putting an additional strain on resources. Also, PUC has been implementing a new financial software package this year and the transition has been challenging and is still on-going.

Considering the above factors, PUC Distribution believes that it is reasonable to delay our cost of service rate application for one year to enhance the quality and reduce any shortcomings in our



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cost of service filing. PUC Distribution is committed to filing a 2013 cost of service rate application that is not only compliant with the Board's minimum filing requirements, but also provides clear and complete evidence in support of our application.

Sincerely,

Jennifer Uchmanowicz
Rates and Regulatory Affairs Officer
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Sault Ste. Marie Ont.
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