

**Ontario Energy Board**  
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**Commission de l'énergie de l'Ontario**  
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**BY E-MAIL**

October 18, 2011

Janice Robertson  
Kenora Hydro Electric Corporation Ltd.  
P.O. Box 2680  
215 Mellick Avenue  
Kenora ON P9N 3X8

Dear Ms. Robertson:

**Re: Kenora Hydro Electric Corporation Ltd. ("Kenora Hydro")  
2012 IRM Rate Application  
Application Board File Number EB-2011-0177**

The Board is in receipt of your 2012 IRM3 rate application. As part of your application, you indicated that account 1562 would not be disposed of in this rate application. You also noted that Kenora Hydro will bring forward the analysis and proposed disposition of this account as soon as possible.

In its Decision in the EB-2008-0381 Combined PILs proceeding, the Board indicated that each remaining distributor will be expected to apply for final disposition of account 1562 with its next general rates application, either IRM or cost of service. The Board further added that if the distributor files evidence in accordance with all the various decisions made in the course of that proceeding, including the use of the updated model, the distributor may expect that the determination of the final account balance will be handled expeditiously and in a largely administrative manner. If a distributor files on a basis which differs from what is contemplated by the decision in that proceeding, the application can be expected to take some time to process, and therefore should not be made as part of an IRM application. Differences could include taking a different position on issues reviewed by the Board in the Combined PILs proceeding, addressing issues not arising as part of the Combined PILs proceeding or filing using a model other than the updated model used by Halton Hills Hydro Inc.

The Board will consider your application to be incomplete until such time that Kenora Hydro provides a full explanation justifying its proposal to defer the disposition of account 1562. If the justification is that the filing would be on a different basis from the Combined PILs proceeding, the Board expects Kenora Hydro to address the disposition

of account 1562 in a stand-alone application to be filed no later than April 1, 2012. Otherwise, the Board expects that Kenora Hydro will file the material supporting the disposition of account 1562 in its 2012 IRM application by November 30, 2011.

Please direct any questions relating to this matter to Daniel Kim, Analyst, at (416) 440-8135 or e-mail [daniel.kim@ontarioenergyboard.ca](mailto:daniel.kim@ontarioenergyboard.ca).

Yours truly,

*Original Signed By*

John Pickernell  
Assistant Board Secretary