



Hearst Power Distribution Company Limited
925 Alexandra St.
Hearst, ON
P0L 1N0

April 10, 2014

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

Re: Applications for 2015 Electricity Distribution Rates

Dear Ms. Walli:

On February 14, 2014 Hearst received a letter from the Ontario Energy Board (“the Board”) advising the utility to file a 2015 cost of service rate application for 2015 rates. The Board’s decision was prompted by a review of the most recent RRR filing (2.1.5.6) where the results showed that Hearst Power had a 2012 ROE in excess of the 300 basis points dead band. The Board’s letter indicated that no further delays would be granted and that if the application is not filed by the established deadline, the Board could declare Hearst’s rates interim until such time as new rates are approved by the Board.

Hearst Power would like to advise the Board of some recent changes in its management which are preventing the utility from filing a Cost of Service application on August 29, 2014.

The General Manager of the utility has recently resigned from his position leaving the role vacant. Nicole Leduc, the former General Manager of the utility, has been retained on a short term contract basis to help the prospective new General Manager transition into the role. The new General Manger is schedule to start at the end of April 2014. Given that the filing deadline is only five months away, the utility is convinced that it will not be able to file a complete and comprehensive Cost of Service application by August 29, 2014.

The utility’s management has also recently explored the option of aligning its rate year with its fiscal year. The utility and its Board of Directors have decided that aligning the effective date of rates and it fiscal year would help reduce administrative and accounting cost burdens, improved budget planning and improved alignment of rates with costs.

Given the recent disruption in management and the utility's desire to align its rates year with the fiscal year, Hearst Power requests approval to delay its 2015 Cost of Service application and instead, file a Cost of Service application on April 30, 2015 for rates effective January 1, 2016.

The delay will give the new General Manager the opportunity to get up to speed on the filing requirements of a Cost of Service application and allow the utility to file a clear and complete application which takes into consideration the Board's recent objectives surrounding the RRFE, performance measurement and scorecards and distribution system plan.

If you have any questions, please do not hesitate to contact me at the information provided below.

Respectfully submitted,

Nicole Leduc

A handwritten signature in cursive script that reads "Nicole C. Leduc".

Interim General Manager
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