



1 Greendale Drive, Caledonia, ON, N3W 2J3

Tel: (905) 765-5344

Fax: (905) 765-5316

September 11, 2013

Delivered By Email & RESS

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

Attention: Kirsten Walli
Board Secretary

**Re: Haldimand County Hydro Inc. (EB-2013-0134)
Cost of Service Application for the 2014 Rate Year – Filing Delay**

Dear Ms. Walli:

The Board's letter, dated December 11, 2012, with respect to "Applications for 2014 Electricity Rates" identifies Haldimand County Hydro as a distributor scheduled to apply to have its rates rebased for 2014, and further that, if it intends to continue with rates effective May 1 is expected to file its 2014 cost of service ("COS") rate application no later than October 1, 2013.

Notwithstanding the fact that the Board has provided an additional month from its typical August 31st filing deadline, Haldimand County Hydro wishes to advise the Board that, despite considerable effort to date, will be unable to file its 2014 COS rate application by October 1, 2013, based on the following constraints:

- i. The Company's President & CEO retired on February 1, 2013. A Senior Manager was promoted to this position, in an acting capacity until July 1, 2013; after which, her promotion was made permanent. In the meantime, this created a ripple effect in backfilling her position as well as a Supervisor during the transition period – all with existing staff in an acting capacity; that is, while maintaining their regularly assigned tasks;
- ii. Existing human resources are utilized to compile the rate application, and while consultants were hired to assist with certain studies, these reports are still pending;

- iii. Haldimand County Hydro's service territory is home to three large transmission-connected generation projects, with one of these significantly impacting its distribution system in terms of the location of its transmission lines. The coordination of this project with the generator has further added to the workloads of existing staff; and
- iv. The additional work associated with the Board's Filing Requirements, including the March 28, 2013 release of its new Chapter 5 "Consolidated Distribution System Plan" and the July 17, 2013 release of its updated Chapter 2 "Cost of Service"; as well as the revised direction regarding the IFRS deferral and the mandatory requirement to implement regulatory accounting changes for depreciation expense and capitalization policies in 2013.

Haldimand County Hydro, having consideration to the Board's standard timelines for reviewing applications, assures the Board that the preparation of its 2014 COS rate application remains a high priority. The Company will endeavor to file a complete and thorough 2014 COS rate application, consistent with the needs and expectations of all stakeholders, on or before November 30, 2013.

Respectfully submitted,
HALDIMAND COUNTY HYDRO INC.

Original signed by

Jacqueline A. Scott
Finance Manager
jscott@hchydro.ca