

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

September 3, 2014

Patricia Eitel CPA, CGA, P.Mgr
Manager of Accounting and Regulatory Affairs
Woodstock Hydro Services Inc.

Dear Ms. Eitel:

**Re: Applications for 2015 Electricity Rates
EB-2014-0125**

The Board is in receipt of your letter requesting that Woodstock Hydro Services Inc. be permitted to defer the rebasing of its rates beyond the 2015 rate year.

The Board has considered the rationale for deferral set out in your letter, as well as the following:

- Woodstock Hydro's financial position, as shown in its audited financial statements and financial reporting to the Board; and
- Woodstock Hydro's 3-year performance with respect to system reliability indicators and electricity service quality requirements/indicators, as reported to the Board.

Based on these considerations and in light of the fact that Hydro One Inc. has filed a MAADs application with the Board on July 10, 2014 (EB-2014-0213) for approval of Hydro One's purchase of the shares of Woodstock Hydro Services Inc, the Board has concluded that it will not require Woodstock Hydro's 2015 rates to be set on a cost of service basis. In the event that the Board does not approve the MAADs application, the Board may re-consider this determination.

If Woodstock Hydro intends to seek a rate adjustment for 2015 rates, the Board expects Woodstock Hydro to adhere to the process for Price Cap Incentive Rate-setting applications for the 2015 rate year as may be determined by the Board.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary