

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

May 8, 2015

Dereck Paul  
Lakefront Utilities Inc.  
207 Division St.  
P.O. Box 577  
Cobourg ON K9A 4L3

Dear Mr. Paul:

**Re: Application for 2016 Electricity Rates**

The OEB is in receipt of your letter requesting that Lakefront Utilities Inc. be permitted to defer the rebasing of its rates beyond the 2016 rate year.

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

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

Based on these considerations, the OEB has concluded that it will not require Lakefront Utilities' 2016 rates to be set on a cost of service basis. The OEB will place Lakefront Utilities on the list of distributors whose rates will be scheduled for rebasing for the 2017 rate year.

If Lakefront Utilities intends to seek a rate adjustment for 2016 rates, the OEB expects Lakefront Utilities to adhere to the process for Price Cap Incentive Rate-setting applications for the 2016 rate year as may be determined by the OEB.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary