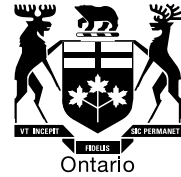


Ontario Energy Board
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BY E-MAIL

January 5, 2016

Mr. Andrew Belsito
PUC Distribution Inc.
500 Second Line EAST, P.O. Box 9000
Sault Ste. Marie, ON P6A 4K1
Andrew.Belsito@ssmpuc.com

Dear Mr. Belsito:

**Re: PUC Distribution Inc.
Application for Rates
OEB File Number EB-2015-0098**

The OEB received PUC Distribution Inc.'s 2016 Price Cap IR application on October 19, 2015. On November 10, 2015 PUC Distribution Inc. submitted a letter requesting to delay the proceedings of its application until January 1, 2016. On November 20, 2016 the OEB notified PUC Distribution Inc. that it will hold the application in abeyance until an update to the application is filed or PUC Distribution Inc. indicates that it intends to proceed with the application as filed.

On December 17, 2015 PUC Distribution Inc. filed a letter with the OEB indicating that it will proceed with the application but has chosen to withdraw its request for the annual economic increase under the OEB's incentive rate-setting mechanism (IRM).

The OEB has assigned file number EB-2015-0098 to the application. The OEB's Vice President, Applications, to whom authority has been delegated under Section 6 of the Ontario Energy Board Act, 1998, will make a decision on the application without holding a hearing.

Your application is available on the [2016 EDR webpage](#) of the OEB's website.

OEB staff may have questions regarding the application and will be in contact with you directly, as required. The nature of the questions will determine the manner in which OEB staff will seek clarification regarding the application or request additional information or material. For these purposes, OEB staff may contact you by email, in writing, by telephone or, in some cases, one or more teleconferences.

In order to assist with your own planning, OEB staff has scheduled a teleconference for January 15, 2016, in the event that such a teleconference is required. Please ensure that appropriate members of your staff are available at that time.

OEB staff will update all applicable models based on any additional information received from you in response to OEB staff questions. All changes to the models will be documented and provided to you no later than January 22, 2016. At that time, OEB staff will also outline any additional information that remains to be provided by you.

If you have any comments regarding the updated models or the additional information requested by OEB staff, please provide them to OEB staff by no later than January 29, 2016.

Following these steps, the Vice President, Applications will provide you with a draft of the decision that she proposes to make subject to any relevant final comments from you. These comments are to be provided within 14 days. Where possible, a draft Rate Order and all applicable models will be enclosed for comment. In some circumstances you may be required to file a separate draft Rate Order. The Vice President, Applications will consider your final comments, if any, and issue a final decision and rate order.

Please note that the timely processing of the application depends on the receipt of information within the timelines specified. Any questions relating to this letter or your application should be directed to Marc Abramovitz, Advisor at 416-440-7690 or marc.abramovitz@ontarioenergyboard.ca.

Yours truly,

Original signed by

Kirsten Walli,
Board Secretary