

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27^e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone : 416-481-1967
Télécopieur: 416-440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

July 5, 2016

Chris White
President
Erie Thames Powerlines Corporation
P.O. Box 157
143 Bell Street
Ingersoll ON N5C 3K5

cwhite@erithamespower.com

Dear Mr. White:

Re: Applications for 2017 Electricity Rates

This letter is in response to your letter expressing an interest to defer Erie Thames Powerlines Corporation's (Erie Thames Powerlines) rebasing of its rates beyond the 2017 rate year.

The OEB has reviewed your letter, as well as Erie Thames Powerlines' financial and non-financial scorecard performance from 2010 to 2015. Based on this review, the OEB has concluded that it will not require Erie Thames Powerlines' 2017 rates to be set on a cost of service basis. The OEB will place Erie Thames Powerlines on the list of distributors whose rates will be scheduled for rebasing for the 2018 rate year.

If Erie Thames Powerlines intends to seek a rate adjustment for 2017 rates, the OEB expects Erie Thames to adhere to the process for Price Cap Incentive Rate-setting applications for the 2017 rate year.

This is the second year that Erie Thames Powerlines has sought a deferral to filing a cost of service rate application. The Annual Incentive Rate-setting Index is the method that was developed for distributors intending longer periods without rebasing. In the absence of a 2018 cost of service rate application from Erie Thames Powerlines, the OEB will apply the Annual IR Index method. The OEB will also consider whether a distribution system plan will be required at that time.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary