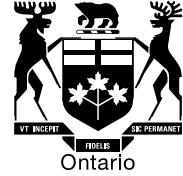


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**BY E-MAIL**

February 27, 2017

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: London Hydro Inc.  
2017 Distribution Cost of Service Rate Application  
Board File Number EB-2016-0091  
Submission on Draft Rate Order**

London Hydro Inc.'s (London Hydro) application for approval of its 2017 distribution rates, effective May 1, 2017, was filed on August 26, 2016. The OEB issued a Notice of Hearing on October 17, 2016.

A settlement of the issues in this proceeding was achieved by London Hydro and the four approved intervenors. A Settlement Proposal was filed with the OEB on February 9, 2017. OEB staff filed its submission on the Settlement Proposal on February 15, 2017 and on February 16, 2017, the OEB held a Settlement Proposal Presentation Day<sup>1</sup>.

After the Settlement Proposal presentation, the OEB issued its decision, approving an amended Settlement Proposal and ruling that Issue 3.3.1 (Residential Rate Design) could be severed from the Proposal. The OEB then addressed the severed issue, ruling that London Hydro should implement the Residential Rate Policy as set out in the OEB Report "A New Distribution Rate Design for Residential Electricity Customers"<sup>2</sup>.

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<sup>1</sup> The Presentation Day Transcript is available on the OEB website.

<sup>2</sup> EB-2012-0410 issued on April 2, 2015

The OEB determined that London Hydro should file a draft rate order reflecting the OEB's decision by February 23, 2017; and that any comments, by intervenors or OEB staff, on the draft rate order should be filed by February 27, 2017.<sup>3</sup>

London Hydro filed its draft rate order on February 22, 2017 and then also filed an amended Tariff of Rates and Charges on February 23, 2017 which included format and definition changes as suggested by staff.

OEB staff has reviewed the draft rate order as filed, including the amended Tariff of Rates and Charges. Staff is satisfied that London Hydro has appropriately reflected the OEB's decision in accepting the amended Settlement Proposal and the subsequent ruling that London Hydro implement the next step of the OEB's residential rate design policy.

Yours truly,

*Original Signed By*

Harold Thiessen  
Ontario Energy Board staff  
Case Manager – EB-2016-0091

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<sup>3</sup> Presentation Day TR Vol. 1, February 16, 2017, pp. 61-62