February 1, 2018

**VIA RESS AND COURIER**

Board Secretary

Ontario Energy Board

27th Floor

2300 Yonge Street

Toronto, ON

M4P 1E4

Dear Ms. Walli,

**Re: Burlington Hydro Inc. (“Burlington Hydro”)**

**2019 Cost of Service Application and Distribution System Plan Deferral Request**

Burlington Hydro is seeking a one-year deferral of its 2019 Cost of Service (“CoS”) Application including a deferral of the filing of a Distribution System Plan (“DSP”). Burlington Hydro’s most recent CoS Application was for rates effective May 1, 2014 and it is currently scheduled to file its next CoS application in 2018 for rates effective May 1, 2019.

Burlington Hydro is requesting this deferral for the following reasons:

1. Burlington Hydro is confident that it can (i) manage its resources and financial needs within the current revenue envelope under the 4th Generation Price Cap Adjustment Mechanism (“lRM”) and (ii) ensure its actual Return on Equity (“ROE”) is well within the 300 basis points threshold of its approved rate of return.

Burlington Hydro’s scorecard performance is strong. It maintains a high customer satisfaction rating, excellent SAIDI/SAIFI results and a strong ROE as identified in the table below.



1. 2019 rates, which would be limited to inflation less its stretch factor under an IRM, would avoid burdening Burlington Hydro’s customers with additional costs and provide distribution charge predictability and stability.
2. The industry is undergoing significant change. Implementation of the 2017 Long Term Energy Plan (“LTEP”) is in its early stages and the Ministry of Energy has recently announced the establishment of a panel to aid in determining reforms and regulations required to support innovation and new technologies. Treatment of distributed generation in rate base will have a significant impact on rate base value and distribution system planning. Burlington Hydro feels it would be beneficial to defer finalization of its DSP until regulatory treatment of distributed generation and regulations for new technologies are more clearly defined.
3. Burlington Hydro is a member of the Grid Smart City (“GSC”) Cooperative whose aim is for LDCs to achieve greater efficiencies of scale and scope in their operations in order to provide cost benefits to electricity customers. Burlington Hydro is currently exploring shared service/product arrangements with its GSC partners which are not yet finalized.

It is also exploring future options for its Customer Information System. These plans may have a significant impact on capital expenditures and operating expenses. Burlington Hydro feels that it would be beneficial to finalize these plans first to reflect the most up-to-date information in its DSP and rate application.

Sincerely,

*Original signed by*

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Cc. Joe Saunders, VP Regulatory and Asset Management