

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

August 14, 2018

Alex Palimaka
Senior VP, Regulatory Affairs and General Counsel
Bluewater Power Distribution Corporation
P.O. Box 2140
855 Confederation Street
Sarnia ON N7T 7L6

Dear Mr. Palimaka:

Re: Applications for 2019 Electricity Rates

This letter is in response to your letter expressing an interest to defer Bluewater Power Distribution Corporation's (Bluewater Power) rebasing of its rates beyond the 2019 rate year.

The Ontario Energy Board (OEB) has reviewed your letter, as well as Bluewater Power's financial and non-financial scorecard performance from 2012 to 2016. Based on this review, the OEB has concluded that it will not require Bluewater Power's 2019 rates to be set on a cost of service basis. The OEB will place Bluewater Power on the list of distributors whose rates will be scheduled for rebasing for the 2020 rate year. If Bluewater Power intends to seek a rate adjustment for 2019 rates, the OEB expects Bluewater Power to adhere to the process for Price Cap Incentive Rate-setting applications for the 2019 rate year.

This is the third consecutive year that Bluewater Power has sought a deferral to filing a cost of service rate application. The Annual Incentive Rate-setting Index (Annual IR Index) is the method that was developed for distributors intending longer periods without rebasing. In the absence of a 2020 cost of service rate application from Bluewater Power the OEB will apply the Annual IR Index method. The OEB will also require Bluewater Power to file a distribution system plan with the OEB no later than August 30, 2019.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary