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**Commission de l'énergie
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BY E-MAIL

March 18, 2016

Wayne Dyce
President /Secretary
Centre Wellington Hydro Ltd.
730 Gartshore St, P.O. Box 217
Fergus, ON N1M 2W8

Dear Mr. Dyce:

Re: Applications for 2017 Electricity Rates

This letter is in response to your letter expressing an interest to defer Centre Wellington Hydro Ltd.'s rebasing of its rates beyond the 2017 rate year.

The OEB has reviewed your letter, as well as Centre Wellington Hydro's financial and non-financial scorecard performance from 2010 to 2014. Based on this review, the OEB has concluded that it will not require Centre Wellington Hydro's 2017 rates to be set on a cost of service basis. The OEB will place Centre Wellington Hydro on the list of distributors whose rates will be scheduled for rebasing for the 2018 rate year. The OEB may reassess this conclusion as new scorecard performance information becomes available for 2015.

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

If Centre Wellington Hydro subsequently seeks a further deferral the OEB will consider whether the Annual Incentive Rate-setting Index method that was developed for distributors intending longer periods without rebasing should be applied. The OEB will also consider whether the filing of a distribution system plan would be required at that time.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary