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**Commission de l'énergie de l'Ontario**  
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**BY E-MAIL**

March 22, 2016

Susan Reffle  
Vice-President  
Whitby Hydro Electric Corporation  
100 Taunton Rd. E. P.O. Box 59  
Whitby, ON L1N 5R8

Dear Ms. Reffle:

**Re: Applications for 2017 Electricity Rates**

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

The OEB has reviewed your letter, as well as Whitby 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 Whitby Hydro's 2017 rates to be set on a cost of service basis. The OEB will place Whitby 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 Whitby Hydro intends to seek a rate adjustment for 2017 rates, the OEB expects Whitby Hydro to adhere to the process for Price Cap Incentive Rate-setting applications for the 2017 rate year.

This is the third year that Whitby Hydro 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 Whitby Hydro, 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