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

March 22, 2016

Phil Marley, CPA, CMA  
President & CEO  
Midland Power Utility Corporation  
16984 Highway#12 P.O. Box 820  
Midland ON L4R 4P4

Dear Ms. Marley:

**Re: Applications for 2017 Electricity Rates**

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

The OEB has reviewed your letter, as well as Midland Power's financial and non-financial scorecard performance from 2010 to 2014. Based on this review, the OEB has concluded that it will not require Midland Power's 2017 rates to be set on a cost of service basis. The OEB will place Midland Power 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 Midland Power intends to seek a rate adjustment for 2017 rates, the OEB expects Midland Power to adhere to the process for Price Cap Incentive Rate-setting applications for the 2017 rate year.

If Midland Power 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