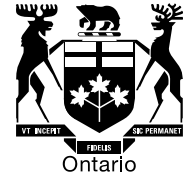


Ontario Energy Board
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Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
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BY E-MAIL

November 11, 2016

Mr. Randy Murphy
Chief Financial Officer
Kingston Hydro Corporation
85 Lappan's Lane
PO Box 790
Kingston, ON K7L 4X7

Dear Mr. Murphy:

**Re: Kingston Hydro Corporation (Kingston Hydro)
Application for Distribution Rates
Ontario Energy Board (OEB) File Number EB-2016-0087**

The OEB received Kingston Hydro's 2017 Custom IR – Year 2 update application on August 15, 2016. The OEB assigned file number EB-2016-0087 to the application. A Notice of Hearing was issued by the OEB on August 29, 2016.

The Kingston Hydro application consists of a request for a rate adjustment pursuant to its custom incentive rate-setting plan that was approved by the OEB on November 26, 2015 (EB-2015-0083). After further review of the application, the OEB has determined that the application is largely mechanistic in nature with respect to the adjustments contemplated. Therefore, pursuant to section 6 of the *Ontario Energy Board Act, 1998* (Act) the OEB has delegated to a member of OEB staff, its power under section 78 of the Act to determine Kingston Hydro's application. Pursuant to section 6(4) of the Act, the delegated authority has determined that the review will proceed without holding a hearing.

Kingston Hydro's application is available on the [2017 EDR webpage](#). Kingston Hydro is directed to make a copy of the application available in a prominent place on its website within 3 business days.

OEB staff may have questions regarding the application and will be in contact with Kingston Hydro directly by email, in writing, by telephone, or through one or more teleconferences. OEB staff has scheduled a teleconference for **4:00 p.m. Tuesday, November 15, 2016** in the event that a teleconference is required. Appropriate members of Kingston Hydro staff are required to be available at that time, or to inform the OEB staff member named below if this date is unworkable.

Any required updates to the application or applicable models related to OEB staff questions are to be completed and filed no later than **November 22, 2016** by Kingston Hydro.

Following these steps, the delegated authority will provide Kingston Hydro with a draft of the decision that they propose to make. Kingston Hydro may comment on the draft decision within **14 days**. Where possible, a draft rate order and all applicable models will be enclosed for comment. In some circumstances Kingston Hydro may be required to file a separate draft rate order. The delegated authority will consider Kingston Hydro's comments and issue a final decision and rate order.

Please note that the timely processing of the application depends on the receipt of information within the specified timelines. Kingston Hydro may direct any questions relating to this letter or the process for its application to Colin Schuch, Case Manager at (416) 440-8105 or Colin.Schuch@ontarioenergyboard.ca

Yours truly,

Original signed by

Kristi Sebalj
Registrar
Office of the Registrar

cc: Sherry Gibson, Kingston Hydro (via email)