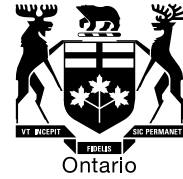


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BY E-MAIL

December 7, 2017

**To: All Licensed Electricity Distributors
All Other Interested Parties**

Re: Applications for 2019 Electricity Rates

This letter sets out a list of cost of service filers under the Price Cap Incentive Rate-setting method for the 2019 rate year based on the dates of distributors' last cost of service applications and other supporting information (the 2019 Rebasing List). At this time, 18 electricity distributors are scheduled to file a cost of service application for 2019 rates. The 2019 Rebasing List is set out in Appendix A to this letter.

This letter also sets out the deadlines by which notice must be given to the OEB in respect of various other matters relating to the setting of 2019 rates, and by which cost of service applications for 2019 rates are expected to be filed. The deadlines are summarized in Appendix B to this letter.

Background

As set out in the [Handbook for Utility Rate Applications](#) issued by the OEB on October 13, 2016, three incentive rate-setting (IR) methods are available to electricity distributors: Price Cap IR; Custom IR; and the Annual IR Index.

Inclusion on the 2019 Rebasing List and Cost of Service Application Deadline

Most of the distributors that have been included on the 2019 Rebasing List are those whose rates were last set based on a cost of service application for rates effective May 1, 2014, as well as distributors that were scheduled to have their rates rebased for the 2018 rate year but whose rate rebasing was deferred by one year.

Distributors that are on the 2019 Rebasing List and that intend to file for rates effective January 1 or May 1 are expected to file their 2019 rate applications on a cost of service basis no later than **April 27, 2018** or **August 31, 2018**, respectively. Distributors whose current rate years commence on May 1 that plan on requesting a change to a January 1

rate year should notify the OEB of this intent no later than **March 1, 2018**. Any distributor which intends to select to have its rates set using either the Custom IR or the Annual IR Index method must refer to the sections below.

Selection of Custom IR or Annual IR Index Methods

Any distributor that has been included on the 2019 Rebasing List and that intends to select either the Custom IR or the Annual IR Index method for 2019 rates must, if it has not already done so, notify the OEB as soon as possible and in any event no later than **March 1, 2018**.

Distributors that have filed Annual IR Index applications for 2018 rates have not been included on the 2019 Rebasing List unless they have indicated that they plan to file a cost of service application. These distributors can choose to move to the Price Cap IR method, but would only be eligible to rebase for 2019 if their last cost of service application was for May 1, 2014 rates¹ or earlier. Distributors that choose to move to the Price Cap IR method and rebase their rates for 2019 must notify the OEB no later than **March 1, 2018**. If a distributor's rates were rebased after May 1, 2014, the early rebasing approach discussed below would apply and notice must be given as set out below. Distributors on the Annual IR Index that wish to choose the Custom IR option for 2019 must so notify the OEB no later than **March 1, 2018**.

Adjustments to the 2019 Rebasing List

Requests to Defer Rebasing Beyond the 2019 Rate Year

Any distributor that has been included on the 2019 Rebasing List but wishes to request deferral of rebasing beyond the 2019 rate year must, if it has not already done so, send a letter to the OEB as soon as possible and in any event no later than **March 1, 2018**. That letter should include the reasons for which deferral of rebasing is being sought. The OEB will consider, among other relevant factors, the distributor's scorecard performance results.

Distributors that Intend to File an Early Rebasing Application

A distributor that is not included on the 2019 Rebasing List but wishes to have its 2019 rates set on a cost of service basis under the Price Cap IR option must so notify the OEB in writing as soon as possible and in any event no later than **March 1, 2018**. In keeping with the OEB's approach to early rebasing as set out in its April 20, 2010 letter, a distributor that seeks to have its rates rebased earlier than scheduled must clearly demonstrate, in its cost of service application, why early rebasing is required and why and how the distributor cannot adequately manage its resources and financial needs during the remaining years of its Price Cap IR plan term.

¹ Distributors that rebased effective January 1, 2014 (or earlier) had rate plan terms of four years. Distributors rebasing effective May 1, 2014 and later had five year terms.

Distributors Filing Custom IR annual updates

A distributor filing a Custom IR annual update should do so by **August 31, 2018**.

Sincerely,

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A
Electricity Distributors Scheduled to Apply for Rebasing for 2019 Rates

	Distributor	Current Rate Year
1	Greater Sudbury Hydro Inc.	Jan. 1
2	Kitchener - Wilmot Hydro Inc.	Jan. 1
3	Oakville Hydro Electricity Distribution Inc.	Jan. 1
4	Attawapiskat Power Corporation	May 1
5	Burlington Hydro Inc.	May 1
6	Bluewater Power Distribution Corporation	May 1
7	COLLUS Power Corporation	May 1
8	Energy + Inc.	May 1
9	Fort Albany Power Corp.	May 1
10	Fort Frances Power Corp.	May 1
11	Kashechewan Power Corp.	May 1
12	Lakeland Power Distribution Ltd.	May 1
13	Midland Power Utility Corporation	May 1
14	Niagara-on-the-Lake Hydro Inc.	May 1
15	Orangeville Hydro Ltd.	May 1
16	Orillia Power Distribution Corporation	May 1
17	Peterborough Distribution Inc.	May 1
18	Veridian Connections Inc.	May 1

APPENDIX B
Summary of Deadlines

Action	OEB Deadline
Notification from any distributor on the 2019 Rebasing List that will be selecting either the Custom IR or Annual IR Index method and therefore will not be filing a cost of service rate application for 2019 rates	March 1, 2018
Notification from any distributor that is currently on Annual IR Index but that plans to file a cost of service rate application under the Price Cap IR method or a Custom IR application for 2019 rates	March 1, 2018
Letter from any distributor included on the 2019 Rebasing List that wishes to submit a request to defer rebasing beyond 2019	March 1, 2018
Notification from any distributor that is not included on the 2019 Rebasing List but that plans to file a cost of service application for 2019 rates under the Price Cap IR method (early rebasing)	March 1, 2018
Notification from any distributor that plans to file a cost a service application for 2019 rates and that wishes to convert its rate year from May 1 to January 1	March 1, 2018
Deadline for cost of service applications for January 1, 2019 rates including those distributors that wish to convert from May 1 rates to January 1 rates	April 27, 2018
Deadline for cost of service applications for May 1, 2019 rates and for Custom IR annual update applications	August 31, 2018