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

August 14, 2018

Sally Blackwell  
Director, Regulatory Affairs  
Burlington Hydro Inc.  
1340 Brant St.  
Burlington, ON L7R 3Z7

Dear Ms. Blackwell:

**Re: Applications for 2019 Electricity Rates**

This letter is in response to your letter expressing an interest to defer Burlington Hydro Inc.'s (Burlington Hydro) rebasing of its rates beyond the 2019 rate year.

The Ontario Energy Board (OEB) has reviewed your letter, as well as Burlington Hydro's financial and non-financial scorecard performance from 2012 to 2016. Based on this review, the OEB has concluded that it will not require Burlington Hydro's 2019 rates to be set on a cost of service basis. The OEB will place Burlington Hydro on the list of distributors whose rates will be scheduled for rebasing for the 2020 rate year.

If Burlington Hydro intends to seek a rate adjustment for 2019 rates, the OEB expects Burlington Hydro to adhere to the process for Price Cap Incentive Rate-setting applications for the 2019 rate year.

If Burlington 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