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

August 14, 2018

Frank Kallonen  
President and CEO  
Greater Sudbury Hydro Inc.  
500 Regent Street  
Sudbury ON P3E 3Y2

Dear Mr. Kallonen:

**Re: Applications for 2019 Electricity Rates**

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

The Ontario Energy Board (OEB) has reviewed your letter, as well as Geater Sudbury 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 Geater Sudbury Hydro's 2019 rates to be set on a cost of service basis. The OEB will place Geater Sudbury Hydro on the list of distributors whose rates will be scheduled for rebasing for the 2020 rate year.

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

This is the third consecutive year that Geater Sudbury Hydro has sought a deferral to filing a cost of service rate application. The Annual Incentive Rate-setting Index (Annual IR Index) is the method that was developed for distributors intending longer periods without rebasing. In the absence of a 2020 cost of service rate application from Geater Sudbury Hydro the OEB will apply the Annual IR Index method. The OEB will also require Geater Sudbury Hydro to file a distribution system plan with the OEB no later than August 30, 2019.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary

c. Catherine Huneault, Geater Sudbury Hydro