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**Commission de l'énergie
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BY E-MAIL

February 5, 2014

Richard Dimmel, CMA
General Manager
Essex Powerlines Corporation
2730 Highway #3
Oldcastle ON N0R 1L0

Dear Mr. Dimmel:

Re: Applications for 2015 Electricity Rates

The Board is in receipt of your letter requesting that Essex Powerlines Corporation be permitted to defer the rebasing of its rates beyond the 2015 rate year.

The Board has considered the rationale for deferral set out in your letter, as well as the following:

- Essex's financial position, as shown in its audited financial statements and financial reporting to the Board; and
- Essex's 3-year performance with respect to system reliability indicators and electricity service quality requirements/indicators, as reported to the Board.

Based on these considerations, the Board has concluded that it will not require Essex's 2015 rates to be set on a cost of service basis. The Board will place Essex on the list of distributors whose rates will be scheduled for rebasing for the 2016 rate year.

If Essex intends to seek a rate adjustment for 2015 rates, the Board expects Essex to adhere to the process for Price Cap Incentive Rate-setting applications for the 2015 rate year as may be determined by the Board.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary