

**Ontario Energy
Board**
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27^e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone : 416-481-1967
Télécopieur: 416-440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

February 5, 2014

Cameron McKenzie, CGA
Director, Regulatory Affairs
Milton Hydro Distribution Inc.
8069 Lawson Road
Milton ON L9T 5C4

Dear Mr. McKenzie:

Re: Applications for 2015 Electricity Rates

The Board is in receipt of your letter requesting that Milton Hydro Distribution Inc. 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:

- Milton Hydro's financial position, as shown in its audited financial statements and financial reporting to the Board; and
- Milton Hydro'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 Milton Hydro's 2015 rates to be set on a cost of service basis. The Board will place Milton Hydro on the list of distributors whose rates will be scheduled for rebasing for the 2016 rate year.

If Milton Hydro intends to seek a rate adjustment for 2015 rates, the Board expects Milton Hydro 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