

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

February 5, 2014

Keith McAllister, P.Eng.
President and CEO
Orillia Power Distribution Corporation
360 West St. S., P.O. Box 398
Orillia ON L3V 6J9

Dear Mr. McAllister:

Re: Applications for 2015 Electricity Rates

The Board is in receipt of your letter requesting that Orillia Power Distribution 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:

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

If Orillia Power intends to seek a rate adjustment for 2015 rates, the Board expects Orillia Power 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