

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

February 14, 2014

Steven Blier
General Manager
Hearst Power Distribution Company Limited
925 Alexandra St.
Postal Bag 5000
Hearst ON P0L 1N0

Dear Mr. Blier:

Re: Applications for 2015 Electricity Distribution Rates

On April 3, 2013 the Board granted your request to defer your scheduled rebasing application from 2014 to 2015 rates. That deferral was based on your 2011 RRR information.

The Board reviewed your most recent RRR filing (2.1.5.6) which identified a 2012 ROE in excess of the 300 basis points dead band. This prompted a more detailed regulatory review which confirmed that Hearst is earning well in excess of 300 basis points above the Board-approved ROE. The review also confirmed that the drivers for the overearnings are not expected to substantially change.

Hearst will be added to the list of distributors scheduled to file a 2015 cost of service rate application for 2015 rates. No further deferral will be granted. If the application is not filed by the established deadline, the Board may declare Hearst's rates interim until such time as new rates are approved by the Board.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary