

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

May 20, 2014

Ms. Nicole Leduc
Interim General Manager
Hearst Power Distribution Company Limited
925 Alexandra St.
Postal Bag 5000
Hearst ON P0L 1N0

Dear Ms. Leduc:

Re: Applications for 2015 Electricity Distribution Rates

The Board is in receipt of your letter dated April 10, 2014 in which you request to defer your scheduled rebasing application from 2015 to 2016 rates.

However, as per the Board's February 14, 2014 letter in which the Board confirmed that Hearst Power is earning well in excess of 300 basis points above the Board-approved ROE, no further deferral will be granted. The Board acknowledges the new circumstances identified by Hearst Power with regard to changes in Hearst Power's management as well as Hearst Power's intent to seek alignment of its rate and fiscal years in its next cost of service application. Accordingly, it is the Board's expectation that Hearst Power will make best efforts to file a 2015 cost of service application in a timely manner, and in any event, no later than May 1, 2015.

Notwithstanding the above, the Board reminds Hearst Power that as per the Board's February 14, 2014 letter, if the cost of service application is not filed by August 29, 2014, 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