



September 15, 2014

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Application for 2015 Distribution Rates
Board File No. EB-2014-0102**

On June 20, 2014, the Board issued a letter outlining Board staff's proposal for new policy options for the funding of capital investments to support the Board's expectation under the *Renewed Regulatory framework for Electricity Distributors* ("RRFE") that distributors engage in longer term planning (EB-2014-0219). One of the options that Board staff had developed was the elimination of the half-year rule on test year capital additions for the in the years between rebasing applications. Board staff proposed that this be accomplished through an adjustment to the price cap formula in the first IR application subsequent to the cost of service application that resulted in rebased rates (referred to as the D₁-factor). In light of Board staff's proposal, Oakville Hydro requested approval for an adjustment to its price cap formula in the manner to be determined through this proceeding on August 13, 2014.

On September 18, 2014, the Board issued its Report of the Board on *New Policy Options for the Funding of Capital Investments: The Advanced Capital Module*. In its report, the Board advised that it did not intend to proceed with the elimination of the half-year rule on test year capital additions for the years between rebasing applications at this time. As a result of the Board's decision to defer this matter, Oakville Hydro withdraws its request for a D₁-factor adjustment to its price cap formula effective January 1, 2015.

Respectfully Submitted,

A handwritten signature in blue ink, consisting of a large, stylized 'J' followed by a series of loops and a horizontal stroke extending to the right.

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