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April 2, 2015

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th Floor, P.O. Box 2319
Toronto, ON M4P 1E4

Re: Essex Powerlines Corporation 2016 Cost of Service Application Deferral Request

Dear Ms. Walli:

Essex Powerlines Corporation (Essex) is scheduled to file a Cost of Service application for rates effective January 1, 2016. Essex respectfully requests a deferral from the rebasing schedule and requests a Cost of Service application be filed by Essex for rates effective January 1, 2017.

Essex is earning an acceptable and stable return on equity and has done so since the last cost of service application for 2010 rates. Essex's financial position is solid and Essex does not foresee any concern with sustaining its financial health an additional year under the IRM process. Essex's actual rate of return on equity has been within the trigger point of plus or minus 300 basis points of the Board approved return of 9.85%.

Essex has a 2015 IRM rate application before the board currently. These rates, when approved, would remain in place until April 30, 2016. It would be Essex's intention to submit a third generation IRM rate application for rates effective May 1, 2016, with Board approval to defer our cost of service application to January 1, 2017. This is an eight month deferral request.

For other considerations the Board will have in deciding on this deferral request, such as our Electricity Service Quality indicators, Essex is in line with these indicators and does not foresee any compliance issues for 2015 or 2016.

In summary, it is within the Board's requirements for Essex to request this deferral and there is an overall desire for rates to match the fiscal year of the utility. It will also provide sufficient time for an effective rate application be prepared and submitted utilizing the results of the Renewed Regulatory Framework for Electricity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe Barile', is positioned above the typed name.

Joe Barile
General Manager
jbarile@essexpowerlines.ca