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

May 8, 2015

Rene Beaulne
Hydro 2000 Inc.
440 rue St-Philippe St.
Alfred ON K0B 1A0

Dear Mr. Beaulne:

Re: Applications for 2016 Electricity Rates

The OEB is in receipt of your letter requesting that Hydro 2000 Inc. be permitted to defer the rebasing of its rates beyond the 2016 rate year.

The OEB has considered the rationale for deferral set out in your letter, as well as the following:

- Hydro 2000's financial position, as shown in its audited financial statements and financial reporting to the OEB; and
- Hydro 2000's 3-year performance with respect to system reliability indicators and electricity service quality requirements/indicators, as reported to the OEB.

Based on these considerations, the OEB has concluded that it will not require Hydro 2000's 2016 rates to be set on a cost of service basis. The OEB will place Hydro 2000 on the list of distributors whose rates will be scheduled for rebasing for the 2017 rate year.

If Hydro 2000 intends to seek a rate adjustment for 2016 rates, the OEB expects Hydro 2000 to adhere to the process for Price Cap Incentive Rate-setting applications for the 2016 rate year as may be determined by the OEB.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary