

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

May 21, 2015

Pauline Welsh  
Orillia Power Distribution Corporation  
360 West Street South  
P.O. Box 398  
Orillia ON L3V 6J9

Dear Ms. Welsh:

**Re: Applications for 2016 Electricity Rates**

The OEB is in receipt of your letter requesting that Orillia Power Distribution Corporation 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:

- Orillia Power's financial position, as shown in its audited financial statements and financial reporting to the OEB; and
- Orillia Power'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 Orillia Power's 2016 rates to be set on a cost of service basis. The OEB will place Orillia Power on the list of distributors whose rates will be scheduled for rebasing for the 2017 rate year.

If Orillia Power intends to seek a rate adjustment for 2016 rates, the OEB expects Orillia Power 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