



1 Greendale Drive, Caledonia, ON, N3W 2J3 Tel: (905) 765-5344 Fax: (905) 765-5316

August 31, 2015

Delivered By Email

Ontario Energy Board
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Kirsten Walli
Board Secretary

**Re: Haldimand County Hydro Inc.
2016 Electricity Distribution Rate Application
– Residential Rate Design Change**

Dear Ms. Walli:

Pursuant to the Ontario Energy Board (the "Board")'s Decision and Order with respect to the applications for the acquisition of Haldimand County Hydro Inc. by Hydro One Inc. (EB-2014-0244), the Board approved a one per cent reduction in Haldimand County Hydro Inc.'s 2014 electricity distribution rates, frozen for 5 years, effective and implemented on July 1, 2015. Accordingly, Haldimand County Hydro Inc. was not intending to file any electricity distribution rate applications for the duration of the approved rate freeze period.

On April 2, 2015, the Board released its Policy entitled *A New Distribution Rate Design for Residential Electricity Customers* (EB-2012-0410), and followed by its implementation letter, dated July 16, 2015, which states at page 3:

"The OEB expects that all distributors will file an application for 2016 rates to begin the implementation of fixed residential distribution rates even if the distributor had not planned to file a rate change application in 2016. Given that fixed rates for residential classes are revenue neutral, the OEB is of the view

that adjustments to the residential rate structure should be carried out in distribution service areas even where a rate freeze is in effect due to a merger agreement.”

In accordance with this direction, Haldimand County Hydro Inc. now intends to file an application for 2016 rates to begin the implementation of fixed residential distribution rates and expects to have that submitted by September 30, 2015. Please provide Haldimand County Hydro Inc. with a pre-assigned proceeding file number to include with its submission.

Yours truly,
HALDIMAND COUNTY HYDRO INC.

Original signed by

Jacqueline A. Scott
Finance Manager