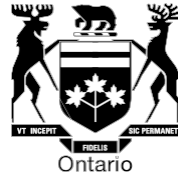


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**BY E-MAIL**

August 31, 2015

Gia M. DeJulio  
Enersource Hydro Mississauga Inc.  
2185 Derry Road West  
Mississauga, ON L 5N 7A6

Dear Ms. DeJulio:

**Re: Enersource Hydro Mississauga Inc.  
Application for 2016 Rates  
Board File Number EB-2015-0065**

OEB staff has completed a review of Enersource Hydro Mississauga Inc.'s (Enersource) application and has identified that certain sections of the evidence supporting the application for rate riders related to an Incremental Capital Module (ICM) do not satisfy the OEB's filing requirements<sup>1</sup>. As a result, the OEB is unable to continue to process your application at this time.

For purposes of an ICM request, the distributor is required to provide its most recent calculation of its regulated return. Therefore, please provide Enersource's 2014 calculated regulated return in order to ensure the means test is passed.

Enersource has requested an ICM rate rider related to capital expenditures of \$71.5M, \$41.6M of which is for a true-up of two Connection and Cost Recovery Agreements (CCRA). The information related to these two discrete CCRA projects is considered complete. However, the information related to the remaining request for \$29.8M incremental capital is considered incomplete. The missing information includes:

Chapter 3 Filing Requirement Reference (page #)	Description
18	<ul style="list-style-type: none"> <li>Amounts must be based on discrete projects, should be directly related to the claimed drivers and must be clearly outside the base upon which the rates were derived.</li> </ul>
18	<ul style="list-style-type: none"> <li>An analysis demonstrating that the materiality threshold test has been met and that the amounts will have a significant influence on the operation of the distributor.</li> <li>Justification that the amounts to be incurred will be prudent. This means that the distributor's decision to incur the amounts represents the most cost-effective option (but not necessarily the least initial cost) for ratepayers.</li> <li>Justification that amounts being sought are directly related to the cause which must be clearly outside of the base upon which current rates were derived.</li> <li>Evidence that the incremental revenue requested will not be recovered through other means (e.g., it is not, in full or in part, included in base rates or being funded by the expansion of service to include new customers and other load growth).</li> <li>Details by project for the proposed capital spending plan for the expected in- service year.</li> <li>A description of the proposed capital projects and expected in-service dates.</li> <li>Calculation of the revenue requirement (i.e. the cost of capital, depreciation, and PILs) associated with each proposed incremental capital project.</li> <li>Calculation of revenue requirement offsets associated with each incremental project due to revenue to be generated through other means (e.g. customer contributions in aid of construction).</li> <li>A description of the actions the distributor would take in the event that the OEB does not approve the application.</li> </ul>

The OEB expects that Enersource will file the above listed required information as soon as possible.

If any of the information that is identified as missing is located in sections other than

those identified in the filing requirements, or if any of the information is not applicable in your circumstances, please provide an explanation when filing the remainder of the required information.

Please direct any questions relating to this application to Jane Scott, Project Advisor at 416-544-5174 or [jane.scott@ontarioenergyboard.ca](mailto:jane.scott@ontarioenergyboard.ca).

Yours truly,

*Original signed by*

John Pickernell  
Applications Administration