

October 30, 2015

Ms. Kirsten Walli
Ontario Energy Board
PO Box 2319
27th Floor, 2300 Yonge Street
Toronto, Ontario M4P 1E4

Re: 2016 Cost of Service Application, Evidence Update
Board File No.: EB-2015-0061

Dear Ms. Walli,

On August 28, 2015, Entegrus Powerlines Inc. ("EPI") filed a complete 2016 Cost of Service rate application for proposed rates effective May 1, 2016.

Since filing the Application some updates have come to our attention. Updates are proposed in the following areas:

1. Working Capital Allowance:
Upon further review of EPI's lead/lag study, EPI's third party consultant provided an updated Working Capital Allowance ("WCA") Factor of 8.14%. This is a reduction from the previously filed WCA Factor of 8.22% and results in a reduction of the WCA of approximately \$95k.
2. Streetlight Billing Determinants:
The Town of Strathroy and the Town of Mount Brydges are in the process of upgrading to LED fixtures. As part of the project, EPI has noted a change to the number of streetlight connections, as well as the resulting kWh/kW load profile. To ensure proper cost allocation and rate recovery, EPI proposes updating the cost allocation and rate design calculations to align with the revised profile.
3. Lost Revenue Adjustment Mechanism Variance Account ("LRAMVA"):
On September 1, 2015, the Independent Electricity System Operator released the final 2014 conservation savings results. EPI has provided these results to its third party consultant who is now working on revised LRAMVA calculations. At this time, EPI does not have the final dollar value but does not expect it to be significantly different than the amount filed.
4. Cost of Capital Parameters:
On October 15, 2015, the OEB issued the 2016 Cost of Capital parameters. These changes moved the Weighted Average Cost of Capital ("WACC") from the previously filed 6.48% to 6.28%. This change results in a reduction to EPI's Revenue Requirement of approximately \$180k.

At the Board's discretion, EPI respectfully requests the opportunity to update the evidence for the above noted changes. EPI proposes these changes be incorporated into updates occurring in the interrogatory phase of the proceeding.

If you have any further questions, please do not hesitate to contact us.

Regards,

[Original Signed By]

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