

PUC Distribution Inc. 500 Second Line East, P.O. Box 9000 Sault Ste. Marie, Ontario, P6A 4K1

December 17, 2015

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

Dear Ms. Walli:

Re: PUC Distribution Inc. ("PUC")

2016 4th Generation IR Distribution Rate Application (2016 IRM) – Board File No. EB-2015-0098

The OEB is currently holding PUC's 2016 4th Generation IR Distribution Rate Application, which was originally filed on October 19th, 2015. The delay in proceeding with this application was requested by PUC's Board of Directors due to the economic situation in Sault Ste. Marie, where our largest employer is under Companies Creditors Arrangement Act protection.

Upon review of the filed 2016 IRM by PUC's Board of Directors at the December 2015 Board meeting, PUC has decided not to apply for an economic increase of 1.65%, which is currently included in our rate application. All other aspects of our rate application will remain the same as PUC requests to proceed with this revised 2016 IRM.

PUC is requesting that the usage amount on the Notice to Customers be increased to 1,000kWh (from 800kWh) as this more accurately reflects our customer's average usage. This change will give customers a more accurate representation of the increase they should see on their bill. Also, would it be possible to indicate in this notice that PUC has chosen not to implement the above 1.65% economic increase.

Sincerely,

Andrew Belsito, CPA, CMA

Rates and Regulatory Affairs Officer

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PUC Distribution Inc. Sault Ste. Marie Ont.

Email: andrew.belsito@ssmpuc.com

Phone: 705-759-3009