



EB-2015-0068

Espanola Regional Hydro Distribution Corp.

**Request for Delay in Filing of Application for 2016
Electricity Distribution Rates.**

BEFORE: Christine Long
Presiding Member

**ORDER FOR INTERIM RATES
February 10, 2016**

The Ontario Energy Board (OEB) has received Espanola Regional Hydro Distribution Corporation's (ERHDC) letter, dated January 22, 2016, notifying the OEB of a further delay in filing ERHDC's 2016 cost of service rate application. This is the third such delay reported since ERHDC's original filing deadline of August 7, 2015.

The OEB notes that ERHDC's scorecard for 2014 indicates that the utility's regulatory return on equity in 2014 was significantly greater than the amount its rates were designed to generate. Further review by OEB staff confirmed that these rates may continue to produce excessive returns on the shareholder's investment unless ERHDC's rates are adjusted through a rebasing application as planned.

A further delay in the filing of an application postpones the OEB's review of ERHDC's rates that is necessary to ensure customers are receiving value from their electricity distribution services. Therefore, to ensure ERHDC's customers will not be potentially harmed by a further delay, the OEB has determined that ERHDC's rates will be declared interim as of February 1, 2016 until such time as new rates are approved by the OEB. Interim rates will allow the OEB to consider whether excess revenues earned after January 31, 2016 should be returned to customers.

This determination of interim rates is made without prejudice to the OEB's decision on the upcoming cost of service application and should not be construed as predictive, in any way whatsoever, of the OEB's final determination of the effective date for rates arising from the forthcoming application.

The OEB anticipates that ERHDC will file a complete application on April 29, 2016 and that no further delays will be required.

IT IS THEREFORE ORDERED THAT:

1. Espanola Regional Hydro Distribution Corp.'s current Tariff of Rates and Charges shall be made interim as of February 1, 2016.

DATED at Toronto, February 10, 2016

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary