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BY COURIER

February 23, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli,

Re: Hydro One Remote Communities Inc. Request for a One-year Rebasing Deferral

Hydro One Remote Communities Inc. (“Remotes”) is scheduled to file a Cost of Service in 2017 but is requesting a one-year deferral to 2018.

Remotes believes that a one year deferral will be in the best interest of customers and will enhance the quality of its next Cost of Service application.

As the Board is aware, Remotes is an integrated generation and distribution utility, with all of its operations regulated by the Board. Remotes owns and operates 19 distribution and generation systems in communities isolated from the transmission grid.

Capital funding related to load growth in most of Remotes’ service territory is funded by Indigenous and Northern Affairs Canada. Remotes expects that the delay may provide some additional clarity for its next Cost of Service filing on two issues related to federal government funding for capital aspects of Remotes’ asset management plan. These issues are: funding for short term upgrades associated with community infrastructure, and the possible timing for a proposed transmission line connecting Remotes’ service territory to the IESO grid. Both of these issues have a significant impact on Remotes’ asset management plan. Remotes is also hopeful that a longer-term solution for service to the Cat Lake community may be further developed over the next year or so.

Finally, Remotes works closely with the First Nations leadership in the communities it serves. Further discussions are required with its customers to ensure that a robust plan is presented to the Board, that reflects and considers customer needs.

Accordingly, Remotes respectfully requests a one year deferral to 2018. Remotes believes this deferral will not have an adverse effect on customers or on the company's ability to provide service to them. In 2017, Remotes proposes to file for the index adjustment.

Sincerely,

ORIGINAL SIGNED BY ODED HUBERT

Oded Hubert