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BY E-MAIL

March 22, 2016

Gia M. DeJulio
Director, Regulatory Affairs
Enersource Hydro Mississauga Inc.
2185 Derry Road West
Mississauga, ON L5N 7A6

Dear Ms. DeJulio:

Re: Applications for 2017 Electricity Rates

This letter is in response to your letter expressing an interest to defer Enersource Hydro Mississauga Inc.'s rebasing of its rates beyond the 2017 rate year.

The OEB has reviewed your letter, as well as Enersource's financial and non-financial scorecard performance from 2010 to 2014. Based on this review, the OEB has concluded that it will not require Enersource's 2017 rates to be set on a cost of service basis. The OEB will place Enersource on the list of distributors whose rates will be scheduled for rebasing for the 2018 rate year. The OEB may reassess this conclusion as new scorecard performance information becomes available for 2015.

If Enersource intends to seek a rate adjustment for 2017 rates, the OEB expects Enersource to adhere to the process for Price Cap Incentive Rate-setting applications for the 2017 rate year.

If Enersource subsequently seeks a further deferral the OEB will consider whether the Annual Incentive Rate-setting Index method that was developed for distributors intending longer periods without rebasing should be applied. The OEB will also consider whether the filing of a distribution system plan would be required at that time.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary