



**Peterborough
Distribution Inc.**

Peterborough Distribution Inc.
1867 Ashburnham Drive, PO Box 4125, Station Main
Peterborough ON K9J 6Z5

April 19, 2016

Delivered by Courier and RESS

Ontario Energy Board
Attention: Ms. Kirsten Walli, Board Secretary
2300 Yonge Street, Suite 2701
Toronto, Ontario M4P 1E4

**Peterborough Distribution Inc. 2017 Cost of Service Rate
Application Deferral Request**

Dear Ms. Walli:

Pursuant to the Board's December 29, 2015 correspondence with respect to Applications for 2017 and 2018 Electricity Distribution Rates, Peterborough Distribution Inc. ("PDI") is identified by the Board as being a distributor scheduled to apply for rebasing for 2017 rates. A distributor that intends to file for rates effective May 1 on a cost of service basis is expected to file its 2017 application by August 26, 2016.

Recently the City of Peterborough announced that it has entered into discussions with respect to the potential sale of PDI to Hydro One. While it is not clear whether a transaction will be concluded, we do expect that we will have a stronger indication in the upcoming months. However, this timing will not provide us with sufficient time to address the August 26, 2016 filing deadline. Should we find that a transaction is not concluded in the next few months, we would expect that our application would then be prepared and filed within a reasonable timeline thereafter.

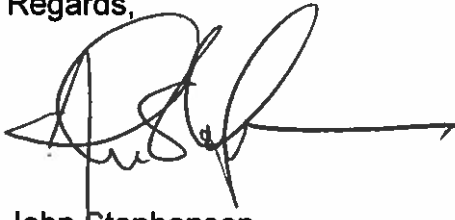
To avoid expending significant resources on preparing a cost of service rate application which may not be necessary if the sale to Hydro One is concluded, we request the consent of the Board to allow PDI to defer making its rate application until after the August 26, 2016 filing deadline.

If the Board is unable to render a decision on PDI's application to enable new distribution rates to be effective on May 1, 2017, we request that PDI's existing rates be continued until a new PDI rate order is issued by the Board. This will extend PDI's existing revenue requirement from the period between the usual May 1, 2017

commencement date until such time as the new PDI rates are established. This approach will allow PDI to be made whole with respect to its revenue requirement notwithstanding the rate application filing timing difference because of the ongoing sale negotiations.

Given the Provincial policy to encourage LDC sector consolidation, we submit the relief requested is appropriate. The rate recovery approach requested by PDI will not impose any unreasonable burden on ratepayers if some short period of "catch up" is required as a result of the sale negotiation process, and the approach is equitable to the utility in providing a fair opportunity for PDI to recover its new revenue requirement.

Regards,

A handwritten signature in black ink, appearing to read 'John Stephenson', with a long horizontal stroke extending to the right.

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