

December 14, 2016

Delivered by Courier and E-file

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

Dear Ms. Walli:

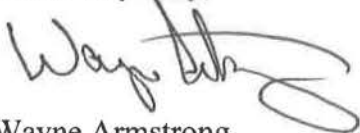
**Re: Welland Hydro-Electric System Corp.
2017 Distribution Rates Application
Board File No. EB-2016-0110**

Please find enclosed two hard copies of Welland Hydro's Revised Exhibit 1 – Administration and Revised Exhibit 4 – Operating Expenses to the original 2017 Cost of Service Rate Application - EB-2016-0110 documentation filed October 28, 2016.

Changes have been made to address OEB Filing Requirements as per the Board's letter dated December 8, 2016. A summary of the changes to each Exhibit is summarized in the attached Appendix A.

An electronic copy has been filed using the OEB's E-filing services (RESS).

Yours very truly,



Wayne Armstrong
Director of Finance & Chief Operating Officer
905-732-1381 Ext 234
905-732-0266 Fax
Email: warmstrong@wellandhydro.com

Appendix A

Exhibit 1 – Administration

Section 2.1.7 Performance Measurement - Pages 67-83

Table 1-19 Service Quality – Addition of Performance Improvement Targets (Page 68)
Addition - Service Quality Plan(s) for Continuous Improvement (Page 69)
Table 1-20 Customer Satisfaction – Addition of Performance Improvement Targets (Page 70)
Addition - Customer Satisfaction Plan(s) for Continuous Improvement (Pages 71-72)
Table 1-21 Safety Measures – Addition of Performance Improvement Targets (Page 72)
Addition - Safety Plan(s) for Continuous Improvement (Pages 73-74)
Table 1-22 System Reliability Measures – Addition of Performance Improvement Targets (Page 74)
Addition - System Reliability Plan(s) for Continuous Improvement (Page 75)
Table 1-23 Cost Control Measures – Addition of Performance Targets (Page 76)
Addition - Cost Control Plan(s) for Continuous Improvement (Page 78-79)
Table 1-25 Connection of Renewable Generation – Addition of Performance Improvement Targets (Pg. 80)
Addition - Connection of Renewable Generation Plan(s) for Continuous Improvement (Page 80)
Table 1-26 Financial Performance – Addition of Performance Improvement Targets (Page 81)
Addition - Financial Performance Plan(s) for Continuous Improvement (Page 82)
Addition – Performance Measurement Impacts on Business Plan & 2017 COS Rate Application (Page 83)

Exhibit 4 – Operating Expenses

Section 2.4.3 Program Delivery Costs with Variance Analysis - Pages 16-25

This section has been revised to provide explanations for each significant variance and identification as to whether the change was outside or within the applicant's control. For changes within the applicant's control a business decision was referenced for plans to manage the cost increase/decrease

Variance Analysis was added for:

Operations & Maintenance - Locates & Ontario One Expense (Page 19)
Billing & Community Relations - Bad Debt Expense (Page 21)
Administration - CIS/Home Connect/Financial Maintenance (Page 23)

Section 2.4.3.1 Workforce Planning and Employee Compensation - Pages 25-37

This section has been revised to provide discussion of previous plans and how those outcomes have impacted proposed plans. Revisions also include performance pay plans and compensation benchmarking.

Workforce Planning Previous Plans and Outcomes on Proposed Plans (Pages 26-27)
Compensation Benchmarking – Unionized Positions (Pages 27-28)
Compensation Benchmarking – Management Positions (Pages 28-29)