

Ontario Energy Board
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Commission de l'énergie de l'Ontario
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BY E-MAIL

February 16, 2017

Andrew Taylor
The Energy Boutique
120 Adelaide St. w., Suite 2500
Toronto, ON
M5H 1T1

Dear Mr. Taylor:

**Re: Application for 2017 Electricity Rates, Westario Power Inc.
Board File Number EB-2016-0113**

This letter is in response to your letter expressing an interest to defer Westario Power Inc. (Westario)'s rebasing of its rates beyond the 2017 rate year.

The OEB has reviewed your letter, as well as Westario's financial and non-financial scorecard performance from 2011 to 2015. Based on this review, the OEB has concluded that it will not require Westario's 2017 rates to be set on a cost of service basis. The OEB will place Westario on the list of distributors whose rates will be scheduled for rebasing for the 2018 rate year. Westario has indicated to the OEB (email dated January 20, 2017) that they intend to file a cost of service application for rates effective January 1, 2018, on or before April 30, 2017.

The OEB acknowledges that Westario has filed a Price Cap Incentive Rate-setting application for the 2017 rate year (EB-2016-0113) and will now process with that application. Please direct any questions relating to that application to Christiane Wong, at 416-440-8115 or Christiane.wong@ontarioenergyboard.ca.

If Westario 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