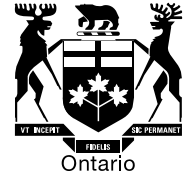


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BY E-MAIL

March 2, 2017

John Stephenson
President & CEO
Peterborough Distribution Inc.
PO Box 4125, Station Main
1867 Ashburnham Drive
Peterborough ON K9J 6Z5

Dear Mr. Stephenson

Re: Application for 2017 Electricity Rates

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

The OEB has reviewed your letter, as well as PDI's financial and non-financial scorecard performance from 2011 to 2015. Based on this review, the OEB has concluded that it will not require PDI's 2017 rates to be set on a cost of service basis.

Ordinarily, the OEB would place PDI on the list of distributors whose rates will be scheduled for rebasing for the 2018 rate year. The deadline for filing of expressions of interest to defer cost of service applications from 2018 to 2019 rates was March 1, 2017. If PDI plans to request a deferral for 2018 rates it should do so before May 1, 2017.

In its letter of February 2, 2017 to the OEB, PDI confirmed that it will not be filing a price cap incentive rate application for 2017. It is the OEB's expectation that PDI will continue to follow the OEB's process regarding the filing of annual applications for the review and potential disposition of Group 1 deferral and variance account balances and to continue the implementation of the transition to fully fixed rates for the residential class.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary