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BY E-MAIL

May 5, 2017

Susan Reffle Vice-President Whitby Hydro Electric Corporation P.O. Box 59 100 Taunton Rd. E. Whitby ON L1N 5R8

Dear Ms. Reffle:

Re: Application for 2018 Electricity Rates

This letter is in response to your letter of February 28, 2017 advising the Ontario Energy Board (OEB) that Whitby Hydro Electric Corporation (Whitby Hydro) plans to apply for 2018 electricity rates under the Annual IR Index Method.

Whitby Hydro requested that the OEB consider whether a distribution system plan (DSP) submission is required and if so, provide any insight on the process, timing and use so that Whitby Hydro can ensure that its continued efforts regarding DSP preparation are in line with any OEB expectations. Whitby Hydro also noted that activities related to the announcement to explore the possible benefits from a merger continue.

Whitby Hydro's last cost of service application was for rates effective in 2011, at which time there was no requirement to file a DSP. The OEB directs Whitby Hydro to file a DSP with the OEB within six months of the date of this letter unless Whitby Hydro can provide specific information about a merger agreement prior to this deadline.

The OEB will review the DSP filing to assess the degree to which it reflects good utility practice and rationalizes the utility's capital deployment needs.

Yours truly,

Original signed by

Kirsten Walli Board Secretary