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**Commission de l'énergie  
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**BY E-MAIL**

May 31, 2017

Cindy Shuttleworth Chief Financial Officer Collus  
PowerStream Corp.  
43 Stewart Road  
Collingwood ON L9Y 4M7

Dear Ms. Shuttleworth:

**Re: Applications for 2018 Electricity Rates- EB-2017-0034**

This letter is in response to your letter expressing an interest to defer Collus PowerStream Corp.'s (Collus) rebasing of its rates beyond the 2018 rate year.

The OEB has reviewed your letter, as well as Collus' financial and non-financial scorecard performance from 2011 to 2015 and preliminary 2016 ROE. Based on this review, the OEB has concluded that it will not require Collus' 2018 rates to be set on a cost of service basis. The OEB will place Collus on the list of distributors whose rates will be scheduled for rebasing for the 2019 rate year. The OEB may reassess this conclusion as new scorecard performance information becomes available for 2016.

If Collus intends to seek a rate adjustment for 2018 rates, the OEB expects Collus to adhere to the process for Price Cap Incentive Rate-setting applications for the 2018 rate year.

This is the second consecutive year that Collus has sought a deferral to filing a cost of service rate application. The Annual Incentive Rate-setting Index is the method that was developed for distributors intending longer periods without rebasing. In the absence of a 2019 cost of service rate application from Collus the OEB will apply the Annual IR Index method. The OEB will also consider whether a distribution system plan will be required at that time.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary