



August 9, 2017

BY EMAIL/COURIER

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: Whitby Hydro Electric Corporation
Application for 2018 Electricity Rates**

Whitby Hydro Electric Corporation ("Whitby Hydro") appreciates the response provided by the Ontario Energy Board ("OEB") on May 5, 2017, which clarified the requirement of a Distribution System Plan (DSP) by November 5, 2017 unless specific information is provided about a merger agreement prior to the deadline.

In light of the letter, Whitby Hydro met with board staff on June 28, 2017, to provide an informal update on potential merger discussions and indicated that a formal response letter would be filed at a later date. The timing of this letter follows Whitby Hydro's direct communication with its staff as well as the general public through media release and a dedicated microsite <http://learnmore.whitbyhydro.on.ca/> during the July 2017 timeframe.

At a summary level, Whitby Hydro Energy Corporation ("WHEC") continues to be actively engaged in potential merger discussions with Veridian Corporation ("Veridian") and a new Memorandum of Understanding (MOU) was executed on July 17, 2017. If the merger process confirms that a merger would provide benefits to customers and shareholders, subject to the required approval of the municipal councils following a public report, WHEC and Veridian will endeavour to enter into a merger agreement no later than December 31, 2017 and to complete the transaction by July 1, 2018.

The microsite provides additional detail about the process including Q&A's and a copy of the Memorandum of Understanding (MOU) between Whitby Hydro and Veridian. The site also allows the general public to submit comments or send inquiries.

Whitby Hydro trusts that the OEB will find this merger update sufficient to waive the DSP requirement as outlined in the May 5, 2017 letter and for clarity purposes requests that the OEB provide a written response to Whitby Hydro as confirmation.

Should you have any further questions, please feel free to contact either myself or John Sanderson jsanderson@whitbyhydro.on.ca

Regards,

A handwritten signature in black ink, appearing to read 'S. Reffle'.

Susan Reffle
Vice-President

cc: Mr. John Sanderson, President & C.E.O. (email)