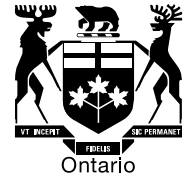


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BY E-MAIL

August 14, 2018

Alan Morin
Chapleau Public Utilities Corporation
Chapleau, ON P0M 1K0

Dear Mr. Morin:

Re: Applications for 2019 Electricity Rates

This letter is in response to your letter expressing an interest to defer Chapleau Public Utilities Corporation's (Chapleau) rebasing of its rates beyond the 2018 rate year.

Chapleau was originally scheduled to rebase in 2016. On February 23, 2015 Chapleau requested a one year deferral to 2017. On July 14, 2015 this request was denied by the Ontario Energy Board (OEB) and Chapleau was required to file a cost of service application for the 2016 rate year by March 1, 2016. After three separate notifications that it need more time, Chapleau filed a cost of service application for the 2016 rate year on September 2, 2016.

On December 19, 2016 the OEB determined that the 2016 cost of service rate application was incomplete and Chapleau was required to refile, and to update the application to a 2017 test year. There was no updated rate application received. As a result, Chapleau did not file any rate application for the 2016 and 2017 rate years.

On May 16, 2017 Chapleau filed a letter requesting a deferral of its cost of service application to the 2019 rate year. Chapleau filed a Price Cap Incentive Rate-settling application¹ on February 9, 2018 for the 2018 rate year. On April 27, 2018, the OEB made the current Tariff and Rates of Charges interim as of May 1, 2018. The OEB also understands that Chapleau has been working diligently on preparing its 2019 cost of service application.

¹ EB-2017-0337

The OEB has reviewed your letter, as well as Chapleau's financial and non-financial scorecard performance from 2012 to 2016. Based on this review, the OEB has concluded that it will not require Chapleau's 2018 rates to be set on a cost of service basis. The OEB expects Chapleau to file a 2019 cost of service application as soon as possible. The OEB reminds Chapleau that the deadline for the filing of cost of service applications for the 2019 rate year for utilities with an effective date of May 1 is August 31, 2018.

The Price Cap Incentive Rate-settling application for the 2018 rate year² will be dealt with by the OEB Panel that hears Chapleau's 2019 cost of service application.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

² *Ibid*