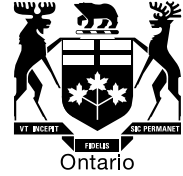


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BY E-MAIL

August 14, 2018

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

Dear Ms. Shuttleworth:

Re: Applications for 2019 Electricity Rates

This letter is in response to your letter expressing an interest to defer Collus PowerStream Corp.'s (Collus PowerStream) rebasing of its rates beyond the 2019 rate year.

The Ontario Energy Board (OEB) has reviewed your letter, as well as Collus PowerStream's financial and non-financial scorecard performance from 2012 to 2016. Based on this review, the OEB has concluded that it will not require Collus PowerStream's 2019 rates to be set on a cost of service basis. The OEB will place Collus PowerStream on the list of distributors whose rates will be scheduled for rebasing for the 2020 rate year.

If Collus PowerStream intends to seek a rate adjustment for 2019 rates, the OEB expects Collus PowerStream to adhere to the process for Price Cap Incentive Rate-setting applications for the 2019 rate year.

This is the third consecutive year that Collus PowerStream has sought a deferral to filing a cost of service rate application. The Annual Incentive Rate-setting Index (Annual IR Index) is the method that was developed for distributors intending longer periods without rebasing.

The OEB is currently reviewing applications by the Town of Collingwood to purchase Alectra Utilities Corporation's shares of Collingwood PowerStream Utility Services Corp.

(Collus Holdco), the holding company of Collus PowerStream, and then to sell 100% of Collus Holdco shares to EPCOR Collingwood Distribution Corp¹.

In the absence of a 2020 cost of service rate application from Collus PowerStream the OEB will apply the Annual IR Index method, subject to the outcome of the share transaction proceedings. Collus PowerStream states in its deferral request letter that the corporation has completed a 2018 to 2022 Distribution System Plan. Subject to the outcome of the share transaction applications, the OEB will require Collus PowerStream to file an updated distribution system plan by August 30, 2019.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

¹ EB-2017-0373 and EB-2017-0374