

BY E-MAIL

May 13, 2019

Jessy Richard
General Manager
Hearst Power Distribution Company Limited
925 rue Alexandra Street
SP/PO Bag 5000
Hearst, ON P0L1N0
jrichard@hearstpower.com

Dear Mr. Richard:

Re: Application for 2020 Electricity Rates

This letter is in response to your letter expressing an interest to defer Hearst Power Distribution Company Limited's (Hearst Power) rebasing of its rates beyond the 2020 rate year.

The OEB has reviewed the financial performance of Hearst Power and has concerns on the sustainability of its cash flow. While the OEB is granting a deferral for its 2020 rebasing application, the OEB may not grant further deferral requests if the cash flow situation does not improve.

If Hearst Power intends to seek a rate adjustment for 2020 rates, the OEB expects Hearst Power to adhere to the process for Price Cap Incentive Rate-setting applications for the 2020 rate year.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary