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

July 18, 2011

Ms. Joanne Tackaberry  
Manager, Administrative & Financial Services  
Wasaga Distribution Inc.  
P.O. Box 20  
Wasaga Beach ON L9Z 1A2

Dear Ms. Tackaberry:

**Re: 2012 Electricity Distribution Rates  
Board File No. EB-2011-0103**

The Board is in receipt of your letter dated June 30, 2011 responding to the Board's letter dated June 17, 2011 in regard to Wasaga's request to be permitted to defer the rebasing of its rates beyond the 2012 rate year.

The Board notes that Wasaga provided certain calculations in respect of Wasaga's levels of return for 2009 and 2010. While these calculations appear to show levels of return that were not above the levels that underpin Wasaga's rates, the Board has concerns regarding whether certain adjustments that were made by Wasaga, as part of these calculations, are appropriate.

The Board has also reviewed Wasaga's reasons provided in the June 30 letter explaining why it is appropriate for the Board to defer rebasing of Wasaga's rates. The Board is not persuaded by the reasons provided by Wasaga and does not accept Wasaga's request to defer rebasing from 2012 to 2013.

In light of the information provided by Wasaga with respect to its earnings for 2009 and 2010, the Board will commence a cost of service rate proceeding on

its own motion in respect of Wasaga's 2012 rates, and will declare Wasaga's rates as interim effective as of the date of the commencement of that proceeding. A Notice of Proceeding will be issued shortly.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary