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BY EMAIL

April 29, 2020

Amy Long
Chief Financial Officer
Orangeville Hydro Limited
400 C Line
Orangeville, ON L9W 3Z8
amy.long@orangevillehydro.on.ca

Dear Ms. Long:

Re: Application for 2021 Electricity Rates

This letter is in response to your letter expressing an interest to defer Orangeville Hydro Limited's (Orangeville Hydro) rebasing of its rates beyond the 2021 rate year.

The OEB has reviewed Orangeville Hydro's 2018 performance and a forecast of the 2019 performance. As a result, the OEB is granting Orangeville Hydro's request to defer its 2021 cost of service application.

In approving Orangeville Hydro's request to defer its rebasing from 2020 to 2021 the OEB stated that "If Orangeville Hydro subsequently seeks a further deferral the OEB will consider whether the Annual Incentive Rate-setting Index method that was developed for distributors intending longer periods without rebasing should be applied. The OEB will also consider whether the filing of a distribution system plan would be required at that time."¹

This is the third consecutive year that Orangeville Hydro 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. For 2021 rates, the OEB will therefore apply the Annual IR Index method. The OEB will require the filing of a distribution system plan for 2022 rates.

¹ OEB letter to Orangeville Hydro, July 5, 2019
2300 Yonge Street, 27th floor, P.O. Box 2319, Toronto, ON, M4P 1E4
2300, rue Yonge, 27^e étage, C.P. 2319, Toronto (Ontario) M4P 1E4

If Orangeville Hydro intends to seek a rate adjustment for 2021 rates, the OEB expects Orangeville Hydro to adhere to the process for Annual IR applications for the 2021 rate year.

Yours truly,

Original signed by

Christine E. Long
Registrar and Board Secretary