

January 8, 2021

Via Email

Ms. Christine E. Long
Registrar
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Re: 2022 Cost of Service Application Deferral Request

Dear Ms. Long:

On December 16, 2020, the Ontario Energy Board ("OEB") issued a letter identifying those electricity distributors that are scheduled to file Cost of Service ("COS") Rate Applications from 2022 to 2024. Welland Hydro's rates were last set on a COS basis for rates effective May 1, 2017 (EB-2016-0110). Welland Hydro is currently included on the OEB's 2022 rebasing list for rates effective May 1, 2022.

In the letter, the OEB advised that distributors included on the Rebasing List for 2022 to 2024 who wish to submit an expression of interest to defer its COS Rate Application beyond its scheduled rebasing year must send a letter to the OEB no later than January 29, 2021.

This letter confirms Welland Hydro's interest in deferring rebasing rates for a one-year period such that Welland Hydro would file a COS Rate Application for rates effective May 1, 2023.

Welland Hydro's 2019 Scorecard shows a strong performance across key indicators since its last COS Rate Application in 2017 as follows:

Regulatory Return on Equity	2017	2018	2019
Deemed	8.78%	8.78%	8.78%
Achieved	8.51%	11.41%	10.44%
System Reliability	2017	2018	2019
SAIDI	1.83	1.46	1.71
SAIFI	1.56	1.70	2.41

During the above three-year period, Welland Hydro has strengthened its position within the Group 2 Efficiency Assessment. Although not currently available, 2020 forecasted results are expected to be in line with 2019 actuals. There are no anticipated requirements for using COVID19 deferral accounts in 2020. Welland Hydro will continue to monitor any impacts of the pandemic on 2021 results. Currently, Welland Hydro believes that it is in a strong position to continue to provide reliable service, invest prudently in capital expenditures, and to meet the financial obligations of the utility.

As a result, Welland Hydro is requesting to defer rebasing for rates effective May 1, 2022 for one year and thereby continue under the 4th Generation Price Cap IR rate setting method. At this time, there are no plans on submitting an Incremental Capital Module (ICM). In addition, a request is also being made to defer filing Welland Hydro's next five-year Distribution System Plan by one year. Welland Hydro believes a Distribution System Plan review is more efficient and effective when it occurs at the same time as a COS Rate Application.

Should you have any questions or require further information, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jennifer Dionne".

Jennifer Dionne