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BY EMAIL

March 31, 2021

Geoffrey Sutton, Chief Financial Officer
Northern Ontario Wires Inc.
153 Sixth Avenue
P.O. Box 640
Cochrane ON P0L 1C0
geoffs@nowinc.ca

Dear Mr. Sutton:

**Re: Application for 2022 Electricity Rates
OEB File No. EB-2021-0047**

This letter is in response to your letter expressing an interest to defer Northern Ontario Wires Incorporated's (NOW) rebasing of its rates beyond the 2022 rate year.

The OEB has reviewed the letter and based on NOW's 2019 performance and the continuing impact of COVID-19, the OEB is granting approval for NOW's request to defer its 2022 and 2023 cost of service applications. The OEB tentatively grants a deferral for the 2024 cost of service application, however final approval will be subject to a review of NOW's 2021 performance. At this time, NOW will be tentatively placed on the list of distributors whose rates will be scheduled for rebasing for the 2025 rate year, including a distribution system plan.

Any request for an incremental capital module would need to be supported by evidence on NOW's overall capital plan and how the proposed capital project has been accommodated in that plan, such as through the filing of a distribution system plan.

If NOW intends to seek a rate adjustment for 2022 and 2023 rates, the OEB expects NOW to adhere to the process for Price Cap Incentive Rate-setting applications for the 2022 and 2023 rate years. The OEB will confirm the requirements for 2024 rates following the review of NOW's 2021 performance.

The OEB will be reviewing how deferrals are granted in the future, which may have an impact on the options available to distributors seeking subsequent deferral(s). The review will consider the availability of Incremental Capital Module, filing of a Distribution System Plan, and whether distributors would be moved from the Price Cap Incentive Rate-setting method to the Annual Incentive Rate-setting Index method for any deferral request.

Yours truly,

Original Signed By

Christine E. Long
Registrar