



Serving the Community of Renfrew
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March 14, 2022

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Marconi:

Re: Renfrew Hydro Inc. ("Renfrew Hydro") 2023 Cost of Service Application Deferral Request

Renfrew Hydro is seeking a one-year deferral of its 2023 Cost of Service ("CoS") Application including a deferral of the filing of our Distribution System Plan ("DSP"). Renfrew Hydro's most recent CoS application was for rates effective January 1, 2017, and we are currently scheduled to file a CoS application in April of this year for rates effective January 2023. We are formally requesting approval to defer filing of our CoS application and Distribution System Plan for an additional year (April 2023) for rates effective January 2024. In addition, we are requesting that our 2023 distribution rates be set using the existing Price Cap IR methodology.

Renfrew Hydro apologizes for the late timing of this request, and up until late last week, we had full intentions of filing this year. Our most recent analysis, including our 2021 financial results, has prompted this request for a change in timing of our rates application. Renfrew Hydro believes that deferring our rebasing of distribution rates by one year is the most prudent action to take given the present environment in which we are operating, and as such, respectfully requests this deferral.

Accurately predicting our future costs is very difficult at this time of economic volatility and uncertainty. The ongoing Covid-19 pandemic coupled with rapidly increasing business costs (fuel, materials, equipment, etc.), supply chain issues and delays, and the highest inflation rates that we have experienced in decades are all contributing factors. All these recent combined upward cost pressures can not be properly determined and incorporated into our present application in an accurate or timely manner.

It should be noted that the overall cost of a rate application for Renfrew Hydro equates to approximately 13% of our total annual OM&A expenses, and as such, our customers and all stakeholders want to ensure these costs are incurred when appropriate and are justifiable.

Renfrew Hydro remains confident that we can effectively manage customer expectations including safety and system reliability throughout 2023 within the current revenue envelope under the 4th Generation Price Cap Adjustment Mechanism (“IRM”). In addition, Renfrew Hydro has performed well on all of our key performance standards and measures as depicted in our recent electricity utility scorecards and expects to continue this throughout both 2022 and 2023.

Renfrew Hydro respectfully asks the OEB to consider and approve our aforementioned request. Please do not hesitate to contact me directly with any of your questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Lance Jefferies". The signature is written in a cursive, flowing style.

D. Lance Jefferies, MBA, C.Tech
President
Renfrew Hydro Inc.

cc: Kevin Mancherjee
Andrew Frank