June 20, 2022

Ms. Christine E. Long

Registrar

Ontario Energy Board

2300 Yonge Street, 27th floor, P.O. Box 2319

Toronto, ON

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Email: Registrar@oeb.ca

**Re: 2023 Cost of Service Deferral Request**

Dear Ms. Long;

On December 1, 2021, the Ontario Energy Board (“OEB”), issued a letter identifying those electricity distributors that are scheduled to file a Cost of Service Application (“COS”) for 2023 rates. Wasaga Distribution Inc.’s (WDI’s) rates were last rebased for rate effective May 01, 2016 (EB-2015-0107). WDI is currently included on the OEB’s 2023 rebasing list for rates effective May 01, 2023.

In its letter, the OEB advised that any distributor that had been included on the 2023 rebasing list but wishes to defer rebasing beyond the 2023 rate year must advise the OEB by January 28, 2022. WDI apologizes for missing this deadline, as it was our original intent to file a COS application for the 2023 rates.

WDI 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 for the following reasons:

* WDI has faced recruitment challenges over the past year with unexpected resignations and lengthy interview processes.
* WDI has also just undergone a significant change in leadership, with the retirement of both our CEO and VP of Operations in 2022. WDI has since filled these positions and is requesting additional time to ensure we can prepare a quality application as we adapt to this transition of our leadership team.
* Recently WDI has experienced volatility in its costs, largely driven by changes in human resources, supply chain issues and inflation. Therefore, we believe a deferral is appropriate while WDI regains consistency in these areas.
* WDI remains confident that we can effectively manage our resources and financial needs within the current revenue envelope under the 4th Generation Price Cap Adjustment Mechanism (“IRM”).
* WDI has performed well on all key performance standards and measures as depicted in our electricity utility scorecard.

WDI hereby requests approval to defer our COS by one year to have rates effective May 01, 2024. WDI will apply for 2024 rates using the 4th Generation IRM process and is not anticipating any mechanistic adjustments such as an Incremental Capital Module, Z-factor, or new deferral account request beyond the requirement for disposing of Group I Accounts if the threshold test is met.

Respectfully submitted,

Spencer Silvestro

Financial & Regulatory Analyst