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BY EMAIL

July 5, 2019

Ruth Tyrrell
Chief Corporate Officer
Orangeville Hydro Limited
400 C Line
Orangeville, ON L9W 3Z8
rtyrrell@orangevillehydro.on.ca

Dear Ms. Tyrrell:

Re: Application for 2020 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 2020 rate year.

The Ontario Energy Board (OEB) has reviewed Orangeville Hydro's financial and non-financial scorecard performance from 2012 to 2017 and has concluded that it will not require Orangeville Hydro's 2020 rates to be set on a cost of service (CoS) basis. This is the second year that Orangeville Hydro has sought a deferral to filing a CoS rate application. 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.

If Orangeville Hydro intends to seek a rate adjustment for 2020 rates, the OEB expects Orangeville Hydro to adhere to the process for Price Cap Incentive Rate-setting applications for the 2020 rate year.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary