



BY E-MAIL

April 29, 2020

Karen Marner
Chief Financial Officer
Oakville Hydro Electricity Distribution Inc.
P.O. Box 1900, 861 Redwood Square
Oakville ON L6K 0C7
Kmarner@oakvillehydro.com

Dear Ms. Marner:

**Re: Oakville Hydro Electricity Distribution Inc.
Application for 2021 Electricity Rates
OEB File No.: EB-2020-0045**

This letter is in response to your letter expressing an interest to defer Oakville Hydro Electricity Distribution Inc.'s (Oakville Hydro) rebasing of its rates beyond the 2021 rate year.

The OEB has reviewed Oakville Hydro's 2018 performance and a forecast of the 2019 performance. As a result, the OEB is granting Oakville Hydro's request to defer its 2021 cost of service application.

In approving Oakville Hydro's request to defer its rebasing from 2020 to 2021 the OEB stated that "If Oakville 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."¹

This is the third consecutive year that Oakville Hydro has sought a deferral to filing a cost of service rate application. The Annual Incentive Rate-setting Index (Annual IR Index) is the method that was developed for distributors intending longer periods without rebasing. For 2021 rates, the OEB will therefore apply the Annual IR Index method. The OEB will require the filing of a distribution system plan for 2022 rates.

¹ OEB letter to Oakville Hydro, May 13, 2019

If Oakville Hydro intends to seek a rate adjustment for 2021 rates, the OEB expects Oakville Hydro to adhere to the process for Annual IR applications for the 2021 rate year.

Yours truly,

Original signed by

Christine E. Long
Registrar and Board Secretary