



Ontario | Commission
Energy | de l'énergie
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BY EMAIL

June 19, 2020

Alex Palimaka
Senior VP and General Counsel
Bluewater Power Distribution Corporation
P.O. Box 2140
855 Confederation Street
Sarnia ON N7T 7L6
apalimaka@bluewaterpower.com

Dear Mr. Palimaka:

Re: Application for 2021 Electricity Rates
Ontario Energy Board File Number: EB-2020-0005

This letter is in response to your letter expressing an interest to defer Bluewater Power Distribution Corporation's (Bluewater Power) rebasing of its rates beyond the 2021 rate year.

The Ontario Energy Board (OEB) has reviewed Bluewater Power's 2018 performance and a forecast of the 2019 performance. This is the fourth consecutive year that Bluewater Power has sought a deferral to filing a cost of service rate application. In its letter dated July 5, 2019, the OEB determined that no further requests for deferral would be granted, and that a distribution system plan must be filed as part of a 2021 cost of service application. The OEB remains concerned that Bluewater Power's last cost of service application was for 2013 rates. However, in light of the COVID 19 emergency, the OEB will grant the requested deferral. The OEB expects Bluewater Power to file a cost of service application for 2022 rates, including a distribution system plan.

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 to Bluewater Power.

Yours truly,

Original signed by

Christine E. Long
Registrar and Board Secretary