



By RESS and Email

November 18, 2020

Ms. Christine E. Long
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON, M4P 1E4


Dear Ms. Long:

**Subject: Hydro Ottawa Limited ("Hydro Ottawa")
Custom Incentive Rate-Setting ("Custom IR") Application for 2021-2025 Electricity
Distribution Rates and Charges – 2021 Inflation Parameters**

In its letter dated November 9, 2020, the OEB established the process for the implementation of the inflation factor for use in 2021 rate adjustment applications. The OEB has calculated the 2021 inflation factor for electricity distributors to be 2.2%. However, in light of the continued uncertainty regarding the severity and duration of the COVID-19 emergency and its impact on electricity utilities and customers alike, the OEB is allowing utilities the discretion of electing the calculated IPI level per the OEB-approved methodology or a lower value should it choose to do so. The letter further outlines that for utilities that have filed applications for January 1, 2021 rates, those utilities should document their election by November 19, 2020 by filing a letter on the record of their 2021 rates proceeding.

Accordingly, this letter confirms that Hydro Ottawa is electing to use the OEB's calculated 2021 inflation factor of 2.2%.

Yours truly,

DocuSigned by:

4B13ABA78FA34AC...

Gregory Van Dusen

Director, Regulatory Affairs

Directeur, Affaires réglementaires

GregoryVanDusen@hydroottawa.com

Tel./tél.: 613 738-5499 | ext./poste 7472

Cell.: 613 806-1001

cc: All registered parties to EB-2019-0261