



November 19, 2020

Ms. Christine E. Long  
Registrar  
Ontario Energy Board,  
2300 Yonge St.  
Suite 2700, P.O. Box 2319  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: OEB File No. EB-2020-0045  
Oakville Hydro Electricity Distribution Inc. 2021 Distribution Rate Adjustment Application  
2021 Inflation Factor**

In its letter dated November 9, 2020, the Ontario Energy Board ("OEB") released the 2021 inflation factor for use in 2021 rate adjustment applications. In that letter, the OEB also established an option for utilities to elect to apply for an inflation factor of less than the 2.2% calculated using the methodology set out in the *Report of the Board on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors* issued November 21, 2013 and updated December 4, 2013.

Utilities that have filed applications for January 1, 2021 rates were directed to make their election by November 19, 2020 by filing a letter on the record in their 2021 rates proceeding. In accordance with that direction, Oakville Hydro hereby advises that it is electing an inflation factor of 2.2%. Which, when combined with the stretch factor of 0.6% assigned to electricity distributors filing a rate application under the Annual IR framework, results in an Input Price Index ("IPI") of 1.6%.

In making its election, Oakville Hydro has considered that its application for January 1, 2021 rates, as filed and updated through this proceeding, results in a modest decrease in the total electricity bill for a typical residential and small business customer.

Respectfully Submitted,

*Original signed by*

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Director, Regulatory and Compliance  
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