



December 4, 2020

Registrar
Ontario Energy Board
PO Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario M4P 1E4

Dear Ms. Long:

**Re: Orangeville Hydro Limited
2021 IRM Rate Application – Inflation Factor Election – EB-2020-0046**

On November 9, 2020, the Ontario Energy Board ("OEB") issued a letter that established the process for the implementation of the inflation factor for use in 2021 rate adjustment applications. In the letter, the OEB noted it was allowing utilities the discretion of electing the calculated inflation factor per the OEB-approved methodology (offset by the applicable stretch factor and other adjustments for some plans) or a lower value.

In response to the OEB's letter, Orangeville Hydro Limited ("Orangeville Hydro") hereby confirms that it is electing the standard inflation factor as calculated by the OEB of 2.2% for purposes of its 2021 IRM Rate Application, which will be offset by Orangeville Hydro's Annual IR stretch factor assignment of 0.6%, for a net Price-Cap IR adjustment of 1.6%. Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

A handwritten signature in black ink that reads "Amy Long".

Amy Long
Chief Financial Officer
Orangeville Hydro Limited
400 C Line
Orangeville, Ontario L9W 3Z8