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BY E-MAIL

March 31, 2021

Dan Gopic, Director Regulatory Affairs
Milton Hydro Distribution Inc
200 Chisholm Drive
Milton, ON L9T 3G9
Email: dangopic@miltonhydro.com

Dear Mr. Gopic:

**Re: Application for 2022 Electricity Rates
OEB File No. EB-2021-0042**

This letter is in response to your letter expressing an interest to defer Milton Hydro Distribution Incorporated's (Milton Hydro) rebasing of its rates beyond the 2022 rate year.

The OEB has reviewed the letter and based on Milton Hydro's 2019 performance and the continuing impact of COVID-19, the OEB is granting approval for Milton Hydro's request to defer its 2022 cost of service application. The OEB will place Milton Hydro on the list of distributors whose rates will be scheduled for rebasing for the 2023 rate year, including a distribution system plan.

Milton Hydro did not indicate that its request is reliant upon the availability of an Incremental Capital Module (ICM), as such the OEB expects that Milton Hydro will not file an ICM for the 2022 rate year.

If Milton Hydro intends to seek a rate adjustment for 2022 rates, the OEB expects Milton Hydro to adhere to the process for Price Cap Incentive Rate-setting applications for the 2022 rate year.

The OEB will be reviewing how deferrals are granted in the future, which may have an impact on the options available to distributors seeking subsequent deferral(s). The review will consider the availability of Incremental Capital Module, filing of a Distribution System Plan, and whether distributors would be moved from the Price Cap Incentive Rate-setting method to the Annual Incentive Rate-setting Index method for any deferral request.

Yours truly,

Original Signed By

Christine E. Long
Registrar