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BY EMAIL

March 31, 2021

David Stavinga Wasaga Distribution Inc P.O Box 20, 950 River Road West, Wasaga Beach, Ontario L9Z 1A2 Email: <u>d.stavinga@wasagadist.ca</u>

Dear Mr. Stavinga:

Re: Application for 2022 Electricity Rates OEB File No. EB-2021-0061

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

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

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

If Wasaga Distribution intends to seek a rate adjustment for 2022 rates, the OEB expects Wasaga Distribution 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