



December 07, 2021

Ontario Energy Board
2300 Yonge St, 27th Floor
PO Box 2319
Toronto, ON M4P1E4

Board Secretary,

Re: Letter of Intent to File a Cost of Service Rate Application for 2023

On Dec 1, 2021, the OEB issued a letter setting out a preliminary schedule for cost of service (rebasings) filers for the rate years 2023 to 2026. In that letter, Tillsonburg Hydro Inc. (THI) was not named.

Tillsonburg Hydro Inc. last cost of service rate application was filed in 2013 and THI have deferred filing a cost of service rate application for several years after. There has been a change in management at THI in 2021 and as part of the review, management recognizes THI under earnings for the pass several years. For the last three years, THI return on equity has been under the 3% dead band as presented in the table below.

THI Regulated Rate of Return			
	2018	2019	2020
Approved Rate of Return	8.89%	8.89%	8.89%
Actual Rate of Return	5.10%	4.74%	2.42%
Variance	-3.79%	-4.15%	-6.47%

THI recognizes that the OEB is requesting distributors scheduled to file a cost of service for rate year 2023 to defer rebasing given the number of applications scheduled for 2023. However given THI return on equity for the past several years, THI is hereby notifying the OEB of its intent to file a cost of service application for rate year 2023 with rates effective May 01, 2023.

200 Broadway, 2nd Floor
Tillsonburg ON
N4G5A7

ph: (519) 688-3009



If you have any questions, please contact me directly.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R. Baichan', written in a cursive style.

Ravi Baichan, CPA, CGA
General Manager