BY E-MAIL

March 9, 2022

Michel Poulin, General Manager Hydro Hawkesbury Inc. 850 Tupper St. Hawkesbury, ON K6A 3S7 MichelPoulin@HydroHawkesbury.ca

Dear Mr. Poulin:

Re: Application for 2023 Electricity Rates OEB File No. EB-2022-0039

This letter is in response to your letter expressing an interest to defer Hydro Hawkesbury Incorporated's (HHI) rebasing of its rates beyond the 2023 rate year for one year.

The OEB has reviewed the letter and based on HHI's financial and service quality performance is approving HHI's request to defer its 2023 cost of service application. The OEB will place HHI on the list of distributors whose rates will be scheduled for rebasing for the 2024 rate year, including the filing of a distribution system plan (DSP).

If HHI intends to seek a rate adjustment for 2023 rates, the OEB expects HHI to adhere to the process for Price Cap Incentive Rate-setting applications for the 2023 rate year.

The OEB's <u>letter of December 1, 2021</u>, outlined changes to the OEB's approach to deferrals. With this deferral approval, HHI must file a cost of service application for 2024 rates. If the rebasing application is not filed by the commencement of the 2024 rate year, the OEB will declare HHI's rates interim until HHI files a rebasing application. Additionally, there is no availability of an Incremental Capital Module for 2023 rates and the OEB will not require HHI to file a DSP during this deferral period.

T 416-481-1967 1-888-632-6273

F 416-440-7656 OEB.ca

Yours truly,

Nancy Marconi Registrar