

BY E-MAIL

March 15, 2023

Kevin Lindquist
Interim General Manager
Chapleau Public Utility Corporation
110 Lorne Street South
PO Box 670, Chapleau, ON P0M 1K0
Email: operations.puc@chapleau.ca.

Dear Mr. Lindquist:

Re: Application for 2024 Electricity Rates OEB File No. EB-2023-0011

This letter is in response to your letter expressing an interest to defer Chapleau Public Utility Corporation rebasing of its rates beyond the 2024 rate year for a period of 20 months.

The OEB has reviewed the letter and based on Chapleau PUC's financial and service quality performance is granting approval for Chapleau PUC's request to defer its 2024 cost of service application. The OEB will place Chapleau PUC on the list of distributors whose rates will be scheduled for rebasing for the 2026 rate year.

If Chapleau PUC intends to seek a rate adjustment for 2024 rates, the OEB expects Chapleau PUC to adhere to the process for Price Cap Incentive Rate-setting applications for the 2024 rate year.

The OEB's <u>letter of December 1, 2021</u>, outlined changes to the OEB's approach to deferrals. With this deferral, Chapleau PUC must file a cost of service application for 2026 rates. If the rebasing application is not filed by the commencement of the 2026 rate year, the OEB will declare Chapleau PUC's rates interim until Chapleau PUC files a rebasing application. Additionally, there is no availability of an Incremental Capital Module for 2024 or 2025 rates and the OEB will not require Chapleau PUC to file a DSP during this deferral period.

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Yours truly,

Nancy Marconi Registrar