

April 29, 2020

Tillsonburg Hydro Customers,

On April 16, 2020, Tillsonburg Hydro Inc. (THI) received a Decision and Rate Order, from the Ontario Energy Board (OEB), for our annual inflation-based increase to rates. The full application and decision is available on both the THI website (www.tillsonburghydro.ca) and the OEB website (www.oeb.ca).

There were 4 main areas where rates were impacted and they are summarized below:

1. Annual IR Index Adjustment (Inflation) - approved at 1.4% increase to THI rates
2. Retail Transmission Service Rates
 - What THI pays to get electricity to our network and recovers from end use rate payers
 - Approved at a 3.0% – 3.5% increase in rates (depending on customer classification)
3. Group 1 Deferral and Variance Accounts
 - Tracks annual differences between what THI pays for electricity and recovers from end use rate payers (isolates THI from profit and loss relating to energy purchases)
 - No change in rates related to this category
4. Residential Rate Design
 - Migrating from a fixed charge + variable rate (based on consumption) towards a 100% fixed charge system (mandated by the OEB and revenue neutral to THI)

In light of the COVID-19 pandemic, THI has decided to defer the implementation date of these rate changes from May 1, 2020 to November 1, 2020. THI is hopeful that this deferral will provide cash flow relief to our customers during this tough economic time.

Please remember that our Customer Service staff are still available to address your questions or concerns by calling 519-688-3009 (8:00 a.m. to 5:00 p.m., Monday to Friday).

THI will fully communicate the rate changes again in the fall prior to when they take effect.

Sincerely,



Ian McKenzie – General Manager