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BY E-MAIL

January 24, 2023

Joe Barile
Vice President of Regulatory and Corporate Affairs
Essex Power Corporation
2730 Highway #3
Oldcastle, ON N0R 1L0
Email: jbarile@Essexpower.ca

Dear Mr. Barile:

**Re: Application for 2024 Electricity Rates
OEB File No. EB-2023-0020**

This letter is in response to your letter expressing an interest to defer Essex Powerlines Corporation (Essex Powerlines) rebasing of its rates beyond the 2024 rate year for one year and request to apply for rates under the Price Cap IR framework for rates effective January 1, 2024.

On March 9, 2022, the OEB approved a request by Essex Powerlines to defer the filing of its cost of service application by eight months to April 30, 2023 for electricity distribution rates to be effective January 1, 2024 (initial request). Essex Powerlines is now requesting an additional one-year deferral to file its cost of service application on April 30, 2024 for electricity distribution rates to be effective January 1, 2025, which is inconsistent with the OEB's approach to deferrals outlined in the OEB's [letter of December 1, 2021](#).

Essex Powerlines has presented unique circumstances supporting its request for the additional deferral, primarily its participation with the IESO and OEB in the market pilot to tap into local energy supplies in Leamington. The announcement of the market pilot occurred after the initial request and it is an important outcome of the OEB's Innovation Sandbox.

The OEB has reviewed the letter and based on Essex Powerlines' participation in the market pilot, financial and service quality performance, and is granting approval for

Essex Powerlines' request to defer its 2024 cost of service application. The OEB will place Essex Powerlines on the list of distributors whose rates will be scheduled for rebasing for the 2025 rate year, including a distribution system plan (DSP).

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

The OEB's [letter of December 1, 2021](#), outlined changes to the OEB's approach to deferrals. With this deferral, Essex Powerlines must file a cost of service application for 2025 rates. If the rebasing application is not filed by the commencement of the 2025 rate year, the OEB will declare Essex Powerlines' rates interim until Essex Powerlines files a rebasing application. Additionally, there is no availability of an Incremental Capital Module for 2024 rates and the OEB will not require Essex Powerlines to file a DSP during this deferral period.

Yours truly,

Nancy Marconi
Registrar