



**Upper Canada Transmission 2, Inc.**

**Application for electricity transmission rate changes  
beginning January 1, 2024**

**PROCEDURAL ORDER NO. 3  
February 12, 2024**

Upper Canada Transmission 2, Inc. (Upper Canada Transmission) filed an application with the Ontario Energy Board (OEB) on October 10, 2023 under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval to change the rates that it charges for electricity transmission, effective January 1, 2024.

**1. Interrogatory SEC-4 – 2023 Return on Equity (ROE)**

On February 7, 2024, the School Energy Coalition (SEC), an approved intervenor, wrote a letter to the OEB arguing that Upper Canada Transmission did not respond to Interrogatory SEC-4 –2023 ROE. SEC claims this information is relevant to Upper Canada Transmission's request for disposition of its COVID-19 Deferral Account (Account 1590 – Impacts Arising From the COVID – Sub Account Other Costs). SEC stated although the OEB's [Regulatory Treatment of Impacts Arising from the COVID-19 Emergency Report](#) (the Report) provided generic guidelines that did not apply to greenfield utilities, that broader principles should be applied in this application. SEC submitted that the 2023 ROE contains important contextual information for parties in assessing an application that seeks significant incremental funding through clearance of deferral and variance accounts.

On February 8, 2024, Upper Canada Transmission responded by letter to the OEB stating the Report deliberately delineated between greenfield utilities and operational utilities and the 2023 ROE calculation is not relevant to whether the COVID costs were prudently incurred.

SEC provided a reply submission on February 9, 2024, clarifying what was stated in the Report. SEC claimed the direct application of the specifics of the guidelines would not be appropriate for greenfield utilities, but that those principles which include a utility's means, cost-sharing, materiality, causation, and prudence may be applied.

## Findings

Upper Canada Transmission is directed to answer interrogatory SEC-4. The COVID Guidelines set out in the Report exempted greenfield utilities such as Upper Canada Transmission from the mandatory application of the terms of the Guidelines. However, the Report did not preclude the OEB's consideration of the principles and supporting information the Guidelines require in determining the clearance of Upper Canada Transmission's COVID-19 Deferral Account including that pertaining to the financial performance of Upper Canada Transmission. The OEB will consider the weight to assign to the interrogatory information so provided in its final decision on this application.

## 2. Deadline for Confidentiality Objections

In its letter dated February 7, 2024, SEC also requested an extension to the deadline to file an objection under Section 5.1.6 of the OEB's *Practice Direction on Confidential Filings* to a confidentiality request due to the limited time before the upcoming settlement conference and the receipt of Upper Canada Transmission's responses to interrogatories.

## Findings

The OEB approves SEC's request for an extension to file an objection to Upper Canada Transmission's confidentiality requests.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Upper Canada Transmission 2, Inc. is to file with the OEB a complete response to Interrogatory SEC-4, copying all intervenors, by **February 13, 2024**.
2. OEB staff and intervenors shall file any objections to Upper Canada Transmission 2, Inc.'s confidentiality requests by **February 28, 2024**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2023-0298** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact [registrar@oeb.ca](mailto:registrar@oeb.ca) for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Michael Price at [Michael.Price@oeb.ca](mailto:Michael.Price@oeb.ca) and OEB Counsel, Lawren Murray at [Lawren.Murray@oeb.ca](mailto:Lawren.Murray@oeb.ca).

Email: [registrar@oeb.ca](mailto:registrar@oeb.ca)

Tel: 1-877-632-2727 (Toll free)

**DATED** at Toronto, **February 12, 2024**

**ONTARIO ENERGY BOARD**

Nancy Marconi  
Registrar