



**Essex Powerlines Corporation**

**Application for electricity distribution rates and other  
charges beginning January 1, 2025**

**PROCEDURAL ORDER NO. 1**

**June 12, 2024**

This Procedural Order pertains to two applications filed with the Ontario Energy Board (OEB) by Essex Powerlines Corporation (Essex Powerlines). On February 16, 2024, Essex Powerlines filed an application seeking approval to establish a new deferral account to capture commodity costs that exceed the cost of power for any kWh procured by Essex Powerlines through its Distribution System Operator Pilot Project (DSO Pilot Project).<sup>1</sup> Essex Powerlines has also requested approval of two sub-accounts that will track local capacity cost (net of funding) and energy costs (net of funding and Hourly Ontario Energy Price). As the DSO Pilot Project is currently underway, Essex Powerlines is requesting that the new account be effective from February 19, 2024, to March 31, 2026. The OEB assigned EB-2024-0096 to the application.

Essex Powerlines also filed an application on May 1, 2024, seeking approval for changes to the rates that Essex Powerlines charges for electricity distribution, beginning January 1, 2025. The OEB assigned EB-2024-0022 to the application.

Both applications were filed pursuant to Section 78 of the *Ontario Energy Board Act, 1998*.

In the OEB's March 13, 2024 letter to Essex Powerlines, it was determined that both applications would be combined into one proceeding and that an accelerated procedural schedule would be followed to address Essex Powerlines' request for a new deferral account and sub-accounts.

A Notice of Hearing was issued on May 24, 2024. The OEB received letters of comment from Essex Powerlines customers. The letters have been placed on the record of this proceeding and are publicly available on the OEB's website. Essex Powerlines is

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<sup>1</sup> Essex Powerlines received approval and funding through the IESO's Grid Innovation Fund and support from the OEB Innovation Sandbox. The DSO Pilot Project aims to alleviate known constraints on the distribution system, in the Leamington area.

required to address the issues raised in the letters of comment by way of correspondence to the OEB before the close of record in this proceeding.

Each of Hydro One Networks Inc. (HONI), School Energy Coalition (SEC) and Vulnerable Energy Consumers Coalition (VECC) applied for intervenor status. SEC and VECC applied for cost eligibility.

No objection was received from Essex Powerlines.

HONI, SEC and VECC are approved as intervenors. The list of parties in this proceeding is attached as Schedule A to this Procedural Order. SEC and VECC are also eligible to apply for an award of costs under the OEB's [Practice Direction on Cost Awards](#).

Cost eligible intervenors should be aware that the OEB will not generally allow the recovery of costs for the attendance of more than one representative of any party unless a compelling reason is provided when cost claims are filed.

Being eligible to apply for recovery of costs is not a guarantee of recovery of any costs claimed. Cost awards are made by way of OEB order at the end of a hearing.

### **Issues List**

There will be a single Issues List for the combined proceeding. OEB staff will canvass parties for any unique issues that warrant addition to the standard [Issues List](#) for electricity distribution rate applications. If parties recommend and agree to revisions, OEB staff will file a revised draft Issues List with the OEB. If intervenors and the applicant do not propose any amendments to the standard Issues List, OEB staff will notify the OEB of this fact. If there is no agreement on whether the standard Issues List should be revised, OEB staff will advise the OEB in writing. If intervenors and the applicant do not propose any amendments to the standard Issues List, OEB staff will notify the OEB of this fact. The OEB anticipates issuing an approved Issues List prior to the filing of interrogatories on the cost of service application.

### **Deferral Account Application**

At this time, the OEB is making provision for an accelerated procedural schedule to address Essex Powerlines' request for a new deferral account and sub-accounts. The OEB may adjust the procedural schedule or follow procedural steps for the cost of service application, if warranted.

## **Account Presentation and Technical Conference**

The OEB is making provision to hold a transcribed deferral account presentation and technical conference. Essex Powerlines will present an overview of its deferral account application to parties, OEB staff and the OEB panel, prior to the deferral account settlement conference, as set out in the order below. The purpose of the presentation is for Essex Powerlines to provide context for its deferral account application and to respond to any questions from parties, OEB staff, and the panel.

## **Settlement Proposal**

The OEB is making provision for a settlement conference focused on Essex Powerlines' deferral account request. Following this settlement conference, provision is being made for the filing of a letter to inform the OEB of the status of the settlement discussions and for submissions on the process for hearing any unsettled issues to be adjudicated by the OEB.

## **Cost of Service Application**

### **Interrogatories**

At this time, provision is being made for written interrogatories on the cost of service application. In preparing interrogatories, parties should refer to the OEB's approved Issues List. Parties should consult sections 26 and 27 of the OEB's [Rules of Practice and Procedure](#) regarding required naming and numbering conventions and other matters related to interrogatories. The OEB will review the single test year application both in the context of the projects and programs that are requested for the test year and from the perspective of the distributor's plans for the subsequent four years until the next scheduled rebasing application.

Parties should examine the value presented by the proposed investments as opposed to focusing only on the costs. Parties should also assess the fit between the applicant's plans and its stated objectives and consider how the plans contribute to positive outcomes for customers, in particular those outcomes that arise from the asset management decisions reflected in the applicant's distribution system plan. The OEB will consider the entire five-year distribution system plan to assess the planning and pacing proposals of the applicant and whether the test year requests are appropriately aligned with the distribution system plan. The OEB will also consider productivity and benchmarking results in assessing cost forecasts, bill impacts and distributor performance.

Parties should not engage in detailed exploration of items that do not appear to be material. Parties should use the materiality thresholds documented in Chapter 2 of the Filing Requirements as a guide. In making its decision on cost awards, the OEB will consider whether intervenors made reasonable efforts to ensure that their participation in the hearing was focused on material issues.

### **Settlement Proposal**

The OEB is making provision for a separate settlement conference on the cost of service application. Following the settlement conference, provision is being made for the filing of a letter informing the OEB of the status of the settlement discussions; the filing of any settlement proposal arising from the settlement conference, whether full or partial; and for submissions on the process for hearing any unsettled issues to be adjudicated by the OEB.

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

### **IT IS THEREFORE ORDERED THAT:**

1. OEB staff shall file a proposed issues list, or, alternatively, shall advise the OEB in writing that the parties and OEB staff have been unable to reach an agreement on a draft issues list by **June 21, 2024**.

### **Deferral Account**

2. A transcribed deferral account presentation and technical conference will be held virtually on **June 24, 2024** starting at 9:30 a.m., for Essex Powerlines to present its deferral account application and answer any questions. Further information on how to participate will be sent to parties closer to the date.
3. A settlement conference among the parties and OEB staff, limited in scope to matters relating to the requested deferral account and related sub-accounts will be convened on **July 4, 2024**, starting at 9:30 a.m. This will be a virtual event and information on how to participate will be provided in advance of the settlement conference.
4. **Within 48 hours** of the conclusion of the settlement conference, Essex Powerlines shall file a letter informing the OEB of the status of the settlement discussions including whether a tentative agreement has been reached or if the parties propose to continue the settlement discussions.

5. If there is no settlement proposal arising from the settlement conference, Essex Powerlines shall file a statement to that effect with the OEB by **July 8, 2024**. In that event, parties shall file and serve on the other parties by **July 12, 2024**, any submissions on which issues shall be heard in writing, and for which issues the OEB should hold an oral hearing.
6. If there is a settlement, any settlement proposal arising from the settlement conference shall be filed with the OEB on or before **July 19, 2024**. In addition to outlining the terms of any settlement, the settlement proposal should contain a list of any unsettled issues, indicating with reasons whether the parties believe those issues should be dealt with by way of oral or written hearing.
7. A submission from OEB staff on the settlement proposal shall be filed with the OEB and served on all parties by **July 26, 2024**.

### **Cost of Service**

8. OEB staff and intervenors shall request any relevant information and documentation from Essex Powerlines that is in addition to the evidence already filed, by written interrogatories filed with the OEB and served on all parties by **July 10, 2024**.
9. Essex Powerlines shall file with the OEB complete written responses to all interrogatories and serve them on OEB staff and all intervenors by **July 30, 2024**.
10. A settlement conference among the parties and OEB staff will be convened on **August 7-8, 2024**, starting at 9:30 a.m. If necessary, the settlement conference will continue on **August 9, 2024**. This will be a virtual event and information on how to participate will be provided in advance of the conference. If OEB staff or intervenors intend to submit clarification questions to Essex Powerlines as part of the settlement process, they are encouraged to submit these questions as far in advance as possible of the commencement of the settlement conference, in the interests of making the settlement process as efficient as possible.
11. **Within 48 hours** of the conclusion of the settlement conference, Essex Powerlines shall file a letter informing the OEB of the status of the settlement discussions including whether a tentative agreement had been reached or if the parties propose to continue the settlement discussions.
12. If there is no settlement proposal arising from the settlement conference, Essex Powerlines shall file a statement to that effect with the OEB by **August 14, 2024**.

In that event, parties shall file and serve on the other parties by **August 21, 2024**, any submissions on which issues shall be heard in writing, and for which issues the OEB should hold an oral hearing.

13. If there is a settlement, any settlement proposal arising from the settlement conference shall be filed with the OEB on or before **August 26, 2024**. In addition to outlining the terms of any settlement, the settlement proposal should contain a list of any unsettled issues, indicating with reasons whether the parties believe those issues should be dealt with by way of oral or written hearing.
14. A submission from OEB staff on the settlement proposal shall be filed with the OEB and served on all parties by **September 3, 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 numbers, **EB-2024-0022 and EB-2024-0096** 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 the deferral account application, parties must include the Case Manager, Iris Yuen at [Iris.Yuen@oeb.ca](mailto:Iris.Yuen@oeb.ca). For all electronic correspondence and materials relating to the cost of service application, parties must include Amber Goher at [Amber.Goher@oeb.ca](mailto:Amber.Goher@oeb.ca) and OEB Counsel, James Sidlofsky at [James.Sidlofsky@oeb.ca](mailto:James.Sidlofsky@oeb.ca).

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

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

**DATED** at Toronto, **June 12, 2024**

**ONTARIO ENERGY BOARD**

**By delegation, before: Nancy Marconi**

Nancy Marconi  
Registrar

**SCHEDULE A**  
**LIST OF APPLICANTS AND INTERVENORS**  
**ESSEX POWERLINES CORPORATION**  
**PROCEDURAL ORDER NO. 1**  
**EB-2024-0022**  
**EB-2024-0096**  
**DATED: JUNE 12, 2024**



**Essex Powerlines Corporation**

**EB-2024-0022**

**EB-2024-0096**

**APPLICANT & LIST OF INTERVENORS**

**June 12, 2024**

**APPLICANT**

**Rep. and Contact Information for Service**

**Essex Powerlines Corporation**

**Grace Flood**

Director of Finance and Regulatory Affairs

Essex Powerlines Corporation

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**School Energy Coalition**

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**Essex Powerlines Corporation**

**EB-2024-0022**

**EB-2024-0096**

**APPLICANT & LIST OF INTERVENORS**

**June 12, 2024**

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Consumers Coalition**

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