

BY E-MAIL

June 21, 2024

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Marconi:

**Re: Essex Powerlines Corporation (Essex Powerlines)
Application for 2025 Electricity Distribution Rates
Ontario Energy Board File Number: EB-2024-0022/EB-2024-0096**

In accordance with Procedural Order No. 1, OEB staff advises the OEB that the parties and OEB staff have come to an agreement to revise the OEB's standard Issues List for Essex Powerlines' 2025 distribution rate application. The proposed revised Issues List is attached and includes the following additional issues under item 7:

- 7.3: Is Essex Powerlines' z-factor claim for recovery of costs related to a February 2023 ice storm appropriate?
- 7.4: Is the proposal for a new account to accrue commodity costs that exceed the cost of power for any kWh procured by Essex Powerlines through the Distributor's Powershare Project (EB-2024-0096) appropriate?
- 7.5: Is the proposed effective date for the new account proposed in EB-2024-0096 appropriate?

Matters relating to the proposed deferral account are the subject of the presentation and technical conference scheduled for Monday, June 24, 2024, and the settlement conference scheduled for July 4, 2024.

Further, the parties are requesting that the OEB waive the requirement under rule 26.02(e)(ii) of the *Rules of Practice and Procedure* that the interrogatories correspond to the issues list. The parties are requesting that they be permitted to file interrogatories according to the exhibit numbers in the application. The parties believe this approach will be more efficient and likely less costly. OEB staff does not object to this proposed approach.

OEB staff also advises that parties indicated that, given that the proposed revised Issues List was prepared prior to the interrogatory process, parties reserve the right to raise additional matters for inclusion on the issues list after the responses to the interrogatories are received.

Yours truly,
Amber Goher
Advisor – Electricity Distribution Rates

Cc: All parties in EB-2024-0022/EB-2024-0096

SCHEDULE A

ESSEX POWERLINES CORPORATION

EB-2024-0022/EB-2024-0096

PROPOSED ISSUES LIST

Proposed Issues List

1. Capital Spending and Rate Base

- 1.1 Are the proposed capital expenditures and in-service additions appropriate?
- 1.2 Are the proposed rate base and depreciation amounts appropriate?

2. OM&A

- 2.1 Are the proposed OM&A expenditures appropriate?
- 2.2 Is the proposed shared services cost allocation methodology and the quantum appropriate?

3. Cost of Capital, PILs, and Revenue Requirement

- 3.1 Is the proposed cost of capital (interest on debt, return on equity) and capital structure appropriate?
- 3.2 Is the proposed PILs (or Tax) amount appropriate?
- 3.3 Is the proposed Other Revenue forecast appropriate?
- 3.4 Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?
- 3.5 Is the proposed calculation of the Revenue Requirement appropriate?

4. Load Forecast

- 4.1 Is the proposed load forecast methodologies and the resulting load forecasts appropriate?

5. Cost Allocation, Rate Design, and Other Charges

- 5.1 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 5.2 Is the proposed rate design, including fixed/variable splits, appropriate?
- 5.3 Are the proposed Retail Transmission Service Rates and Low Voltage rates appropriate?
- 5.4 Are the proposed loss factors appropriate?
- 5.5 Are the Specific Service Charges and Retail Service Charges appropriate?
- 5.6 Are rate mitigation proposals required and appropriate?

6. Deferral and Variance Accounts

- 6.1 Are the proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts, requests for discontinuation of accounts, and the continuation of existing accounts, appropriate?

7. Other

- 7.2 Is the proposed effective date appropriate?
- 7.2 Has the applicant responded appropriately to all relevant OEB directions from previous proceedings?
- 7.3 Is Essex Powerlines' z-factor claim for recovery of costs related to a February 2023 ice storm appropriate?
- 7.4 Is the proposal for a new account to accrue commodity costs that exceed the cost of power for any kWh procured by Essex Powerlines through the Distributor's Powershare Project (EB-2024-0096) appropriate?
- 7.5 Is the proposed effective date for the new account proposed in EB-2024-0096 appropriate?