

Essex Powerlines Corporation

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

Decision on Issues List June 27, 2024

Essex Powerlines Corporation (Essex Powerlines) filed an application with the Ontario Energy Board (OEB) on February 16, 2024, 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).¹ Essex Powerlines filed a cost of service application on May 1, 2024 seeking approval for changes to the rates that Essex Powerlines charges for electricity distribution, beginning January 1, 2025.² Both applications were filed pursuant to Section 78 of the *Ontario Energy Board Act, 1998*. As set out in the OEB's March 13, 2024 letter to Essex Powerlines, it was determined that both applications would be combined into one proceeding (these are referred to collectively as the Application). The Application was accepted by the OEB as complete on May 15, 2024, and a Notice of Hearing was issued on May 24, 2024.

On June 12, 2024, the OEB issued Procedural Order No. 1 which approved School Energy Coalition, Hydro One Networks Inc. and Vulnerable Energy Consumers Coalition as intervenors in this proceeding. Procedural Order No. 1 also made provision for parties to recommend any revisions to the standard Issues List for electricity distribution rate applications for the OEB's consideration.

OEB staff filed a proposed revised Issues List on June 21, 2024, in accordance with Procedural Order No. 1. OEB staff's letter indicated that all parties agreed with the revised Issues List proposed. In addition, OEB staff's letter requested that the OEB waive the requirement under rule 26.02(e)(ii) of the *Rules of Practice and Procedure* that interrogatories correspond to the Issues List as parties may want to file interrogatories according to the exhibit numbers in the Application.

¹ EB-2024-0096

² EB-2024-0022

OEB staff's June 21, 2024 letter also advised that parties reserve the right to propose additional matters for inclusion on the Issues List after the interrogatory responses are received, given that the proposed Issues List was prepared prior to the interrogatory process.

Findings

The OEB has reviewed the proposed revised Issues List and approves it for the purposes of this proceeding. The OEB has also considered the request to file interrogatories according to exhibit numbers and approves that request for this proceeding.

The OEB may update the Issues List as necessary to further define the scope of the proceeding.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The approved Issues List is attached to this Decision as Schedule A.

DATED at Toronto, **June 27, 2024**

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
APPROVED ISSUES LIST
ESSEX POWERLINES CORPORATION
EB-2024-0022/EB-2024-0096
JUNE 27, 2024

APPROVED ISSUES LIST
EB-2024-0022/EB-2024-0096
ESSEX POWERLINES CORPORATION.

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 Are 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 Are 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

- 7.1 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?