



Ontario  
Energy  
Board

Commission  
de l'énergie  
de l'Ontario

---

# DECISION AND ORDER

**EB-2024-0022/EB-2024-0096**

## ESSEX POWERLINES CORPORATION

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

**BEFORE: Fred Cass**  
Presiding Commissioner

**Pankaj Sardana**  
Commissioner

---

**March 18, 2025**

## TABLE OF CONTENTS

1	OVERVIEW.....	1
2	PROCESS.....	2
3	DECISION.....	4
4	IMPLEMENTATION.....	5
5	ORDER.....	6

# 1 OVERVIEW

This is the OEB's Decision and Order on an application filed by Essex Powerlines Corporation (Essex Powerlines) seeking approval for changes to the rates Essex Powerlines charges for electricity distribution effective January 1, 2025.

Essex Powerlines filed a partial settlement proposal, dated September 23, 2024, that reflected a partial settlement among Essex Powerlines, School Energy Coalition and Vulnerable Energy Consumers Coalition (collectively, the Parties) on all issues included on the Approved Issues List<sup>1</sup> except for:

- issues 7.4 and 7.5 which were addressed in the OEB's decision and order issued on August 29, 2024 (these issues related to Essex Powerlines' proposed PowerShare Distribution System Operator Deferral Account); and
- PowerShare's proposed 2025 Distribution System Operator capital additions (under issue 1.1).

The OEB approved the partial settlement proposal on October 15, 2024.<sup>2</sup>

On December 17<sup>th</sup>, Essex Powerlines filed a letter requesting (in part) that the OEB allow it to withdraw its entire request for 2025 PowerShare Distribution System Operator project capital additions, thereby rendering moot that unsettled issue. In Procedural Order No. 4, the OEB granted this relief requested by Essex Powerlines. Certain matters related to the deferral account remain outstanding, and the OEB established a date for a technical conference and settlement conference in that regard. However, the disposition of those matters will not affect Essex Powerlines' 2025 distribution rates. The OEB is therefore issuing its Decision and Order on Essex Powerlines' 2025 electricity distribution rates at this time.

---

<sup>1</sup> [Approved Issues List, June 27, 2024](#)

<sup>2</sup> EB-2024-0022/EB-2024-0096, Decision and Order, October 15, 2024

## 2 PROCESS

On May 1, 2024, Essex Powerlines filed a cost of service application with the OEB under section 78 of the *Ontario Energy Board Act, 1998* requesting approval of its proposed electricity distribution rates for five years, using the Price Cap Incentive Rate-setting (Price Cap IR) option described in the *Renewed Regulatory Framework for Electricity*.

A settlement conference was held from August 7 to 9, 2024. Essex Powerlines, School Energy Coalition (SEC) and Vulnerable Energy Consumers Coalition (VECC) participated in the settlement conference. OEB staff attended the conference but was not a party to the settlement.

On September 23, 2024, Essex Powerlines filed a partial settlement proposal covering all issues except for Issues 7.4 and 7.5, related to the PowerShare Distribution System Operator (DSO) deferral account<sup>3</sup>; and 2025 PowerShare DSO capital additions. On October 15, 2024, the OEB issued its decision approving the partial settlement proposal. The OEB Order also established a written hearing for the unsettled issue relating to 2025 PowerShare DSO capital additions (Unsettled Issue).

On October 22, 2024, Essex Powerlines filed its argument-in-chief on the Unsettled Issue. OEB staff and intervenors filed submissions on November 1, 2024. Essex Powerlines filed a reply submission on November 11, 2024.

On December 13, 2024, Essex Powerlines filed an update to its reply submission on the Unsettled Issue, to reflect scope and timing changes to the PowerShare DSO project. On December 16, 2024, SEC filed a letter on behalf of itself and VECC requesting that the OEB require Essex Powerlines to provide additional information regarding changes to the PowerShare DSO project.

On December 17, 2024, Essex Powerlines filed a letter requesting: (a) to withdraw the entire request for 2025 PowerShare DSO project capital additions; and (b) to amend, if necessary, the terms of the PowerShare Deferral Account approved in Decision and Order EB-2024-0096 on August 29, 2024 to (i) reduce the cap on amounts recorded in the account from \$350,000 to \$255,000; and (ii) change the end date of the PowerShare Deferral Account from March 31, 2026 to February 28, 2025.

---

<sup>3</sup> Addressed in the OEB's decision and order issued on August 29, 2024

---

On January 14, 2025, the OEB issued a letter inviting intervenors and OEB staff to comment on the implications of Essex Powerlines' request to withdraw its 2025 capital additions related to the PowerShare DSO project and amend the terms of the PowerShare Deferral Account and whether further information is needed in relation to the requests filed by Essex Powerlines.

On January 20, 2025, SEC commented that, due to the lack of information about the abrupt end of the PowerShare DSO project or the basis for the specific revisions to the PowerShare Deferral Account, it is not in a position to provide meaningful submissions on the implications of Essex Powerlines' request. VECC agreed with SEC and further suggested a one-day meeting among the parties. OEB staff submitted that the request to lower the cap and to change the end date of the account appears to be a motion to review and vary the OEB's August 29, 2024 Decision and Order.

Essex Powerlines provided a response to the comments on January 24, 2025. Essex Powerlines stated that the final determination of the prudence of amounts recorded in the PowerShare Deferral Account will be made at the time when the OEB considers the disposition of such amounts. Essex Powerlines further stated that detailed information will be available once it issues the complete report on outcomes and learnings, after the completion of the PowerShare DSO project.

On February 20, 2025, the OEB issued Procedural Order No. 4, accepting Essex Powerlines' request to withdraw the 2025 PowerShare DSO project capital additions. The OEB further outlined additional procedural steps in relation to the PowerShare Deferral Account in Procedural Order No. 4.

---

### 3 DECISION

As set out above, the OEB approved the partial settlement proposal in this proceeding on October 15, 2024. As a result of the approval of the partial settlement proposal, one issue remained to be resolved in order for the OEB to approve 2025 distribution rates, namely, the Unsettled Issue. The OEB's acceptance of the request by Essex Powerlines to withdraw all proposed PowerShare DSO project 2025 capital additions has rendered the Unsettled Issue moot.

While certain matters related to the PowerShare Deferral Account remain outstanding, the disposition of those matters will not affect Essex Powerlines' 2025 distribution rates. The OEB therefore finds it appropriate at this time to approve Essex Powerlines' 2025 electricity distribution rates on the basis of the approved partial settlement proposal and the withdrawal of all proposed 2025 PowerShare DSO project capital additions.

The OEB directs Essex Powerlines to file a draft rate order, updating placeholder values as agreed upon in the partial settlement proposal filed on September 23, 2024.

Further, as the agreed-upon effective date in the partial settlement proposal was January 1, 2025, the OEB directs Essex Powerlines to submit its calculation of the forgone revenue rate riders as part of the draft rate order process. More details on the draft rate order and foregone revenue rate riders can be found in the implementation section below.

## 4 IMPLEMENTATION

In the OEB-approved partial settlement proposal, the Parties agreed that the effective date for new rates would be January 1, 2025. However, the implementation date for new rates will be subsequent to January 1, 2025. For the recovery of forgone revenue, the OEB will approve forgone revenue rate riders to be collected from customers from the implementation date<sup>4</sup> to December 31, 2025. Essex Powerlines is required to submit a proposal for the calculation of the forgone revenue rate riders as part of the draft rate order process.

2025 capital additions for the PowerShare DSO project were not included in the draft Tariff of Rates and Charges included with the partial settlement proposal; therefore the draft Tariff of Rates and Charges is already consistent with Essex Powerlines' request to withdraw these capital additions and the OEB's acceptance of the request. However, additional changes unrelated to the PowerShare DSO project are necessary to establish final 2025 rates.

Essex Powerlines shall file its draft rate order, reflecting this decision and updating the placeholder values for the components noted below, with detailed supporting material showing the impact of any required adjustments:

- 2025 Cost of Capital parameters (return on equity and deemed short-term debt rate)<sup>5</sup>
- 2025 Regulated Price Plan (RPP) pricing<sup>6</sup>
- 2025 Uniform Transmission Rates and Hydro One Sub Transmission Rates<sup>7</sup>

Essex Powerlines will also be required to update its Cost of Power (which is an input to Working Capital Allowance and hence rate base) and the associated Tariff Schedule and Bill Impacts model to reflect the OEB's RPP Price Report for November 1, 2024 to October 31, 2025.

SEC and VECC are eligible to apply for cost awards in this proceeding. The OEB will make provisions at a later date for SEC and VECC to file their cost claims.

---

<sup>4</sup> Implementation date to be proposed by Essex Powerlines

<sup>5</sup> [OEB Letter and Accounting Orders](#), October 31, 2024

<sup>6</sup> [RPP Pricing](#), October 18, 2024

<sup>7</sup> EB-2024-0032, December 19, 2024

## 5 ORDER

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Essex Powerlines Corporation shall file with the OEB and forward to intervenors a draft rate order with a proposed Tariff of Rates and Charges on **March 28, 2025**, updating 2025 Cost of Capital parameters, 2025 Uniform Transmission Rates, and updated Regulated Price Plan pricing. Essex Powerlines Corporation shall also include customer rate impacts and detailed information in support of the calculation of final rates in the draft rate order.
2. SEC, VECC, and OEB staff may file any comments on the draft rate order with the OEB on **April 4, 2025**.
3. Essex Powerlines Corporation may file with the OEB and forward to intervenors, responses to any comments on its draft rate order on **April 11, 2025**.

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-2024-0022/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 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, 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).

**DATED** at Toronto **March 18, 2025**

**ONTARIO ENERGY BOARD**

Nancy Marconi  
Registrar