



July 29, 2020

Ontario Energy Board
2300 Yonge Street, Suite 2700
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: Elexicon Energy Inc. – Veridian Rate Zone
2021 Incentive Rate-setting Mechanism (IRM) Distribution Rate Application
OEB File No: EB-2020-0013**

Elexicon Energy Inc. (“Elexicon”) has reviewed the Ontario Energy Board’s (“OEB”) letter issued July 14, 2020 regarding the 2021 Rate Application Process. The attachment included with the letter, identified that Elexicon’s Whitby rate zone (“WRZ”) is scheduled in the first tranche of applications (August 17), and the Veridian rate zone (“VRZ”) in the second tranche (October 13).

Earlier this year, Elexicon advised the Board of its intention to file the VRZ 2021 rate application in the first tranche. This was communicated both by letter and by way of the 2021 IRM survey in early June. Elexicon also advised the OEB that the application will include a proposal to adjust the VRZ rate year to January 1.

Elexicon wishes to re-confirm its intention to file the VRZ 2021 rate application on August 17, 2020 which will include a proposal to adjust the VRZ rate year to January 1.

Additional background is outlined as follows:

- On April 21, Elexicon responded to the OEB’s Order (EB-2019-0252) that provided EV with the option to defer May 1, 2020 rates to assist customers during the COVID-19 state of emergency. Elexicon advised that it would defer rate implementation for its VRZ until at least November 1, 2020. The letter also outlined Elexicon’s intention to propose a harmonization of rate years as follows:

Elexicon currently has two rate zones which operate under separate rate years - May 1, for VRZ and January 1 for Whitby Rate Zone (“WRZ”). While Elexicon will continue to maintain separate rates for each rate zone until its next cost of service, it intends to propose harmonization to a common rate year (January 1) in

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2021. This is expected to assist in streamlining rate application and implementation processes for both Elexicon and the OEB, and provide greater consistency and clarity for customers with respect to timing of future rate changes. With this in mind, Elexicon will continue to monitor the COVID-19 impacts over time and determine the best options available to minimize impacts to customers, should a harmonization of rate years be permitted. This would include a desire to avoid multiple rate changes within a limited timeframe which would be difficult and confusing for customers.

- The OEB acknowledged this favourably in its Vary Order (EB-2019-0252).

On April 21, 2020, Elexicon Energy wrote to the OEB seeking authorization to postpone the implementation of its new rates for the Veridian RZ to at least November 1, 2020, indicating that it might seek to extend the postponement past that date. Elexicon Energy explained that it wishes to determine the best options available to minimize rate impacts to customers given that it intends to propose harmonization of the Veridian RZ with the utility's other rate zone (the Whitby RZ), to a common rate year in January, 2021.

OEB FINDINGS

The OEB accepts Elexicon Energy's proposal and finds that it is therefore necessary to vary the Decision.

Elexicon notes that the OEB initiated a consultative process to review the need for and implications of a potential alignment of rate year with the fiscal year for electricity distributors (EB-2009-0423). This process concluded that it is appropriate to consider the merits of aligning rate and fiscal year on a case by case basis through application as part of a cost of service rate application. A number of years have passed since this consultation took place and Elexicon will provide further information in its application as to the merits and support for the OEB to consider addressing its request outside of a cost of service application.

Please contact me if you have any questions.

Sincerely,

Susan Reffle
Manager, Regulatory Affairs