



**EB-2014-0072**  
**EB-2014-0301**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by Essex  
Powerlines Corporation for an order approving a Smart  
Meter Disposition Rate Rider ("SMDR") and a Smart  
Meter Incremental Revenue Requirement Rate Rider  
("SMIRR"), each to be effective January 1, 2015;

**AND IN THE MATTER OF** an application by Essex  
Powerlines Corporation for an order approving just and  
reasonable rates and other charges for electricity  
distribution to be effective May 1, 2015.

**BEFORE:** Marika Hare  
Presiding Member

Allison Duff  
Member

**RATE ORDER**  
**February 27, 2015**

On September 26, 2014, Essex Powerlines Corporation (Essex Powerlines) applied for an annual Price Cap IR adjustment (EB-2014-0072). The Board decided to hear Essex Powerlines' smart meter application (EB-2014-0301), filed on September 23, 2015, simultaneously as a consolidated hearing.

In its reply submission of this combined proceeding, Essex Powerlines included new information relating to an error that impacts the balances in Essex Powerlines' deferral and variance accounts, that was not known before the application was filed or the interrogatory responses were provided.

The Board issued Procedural Order #2, dated February 6, 2015, wherein it decided to re-open the record of the proceeding to further examine the additional evidence. The Board granted intervenor status and cost awards eligibility to all intervenors of record in Essex Powerlines' last cost of service proceeding, EB-2009-0143.

Board staff, VECC, SEC, and Energy Probe filed submissions on the question of retroactivity on February 23, 2015. Essex Powerlines' reply is due February 27, 2015.

On February 26, 2016, Essex Powerlines submitted a request to cease the 2014 Deferral and Variance Account rate riders that are partly based on the error in order to mitigate any further impacts of the error until such time as the Board determines an appropriate remedy, if any. These rate riders were approved as part of Essex Powerlines' 2014 IRM proceeding (EB-2013-0128). The riders have a sunset date of April 30, 2015. The Board understands that Essex Powerlines has yet to bill for February 1 consumption.

The Board notes that the balance of each 2014 Group 1 Account approved for disposition was transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. Given that the balances have been transferred to Account 1595, the Board sees no harm in ceasing these riders. The Board notes that both rate riders billed or refunded are tracked in Account 1595. Account 1595 acts as a true-up mechanism for differences in the account balance approved for disposition and the actual amounts billed or refunded. Upon disposition of the Account 1595 in the future, the account will therefore, reflect the impact of any remedy that the Board may implement to address the subject error.

The Board also understands that Essex Powerlines has requested an extension of one week in order to file its reply submission on the question of retroactivity posed pursuant to Procedural Order #2. The Board grants this request.

#### **THE BOARD ORDERS THAT:**

1. Essex Powerlines shall cease to apply the following rate riders from all applicable rate classes as of February 1, 2015:

Rate Rider for Disposition of Deferral/Variance Accounts (2014) – effective until April 30, 2015

Rate Rider for Disposition of Global Adjustment Account (2014) – effective until April 30, 2015, Applicable only for Non-RPP Customers

2. Essex Powerlines may file a written reply submission on the question of retroactivity, pursuant to Procedural Order #2, with the Board by March 6, 2015.

**DATED** at Toronto, February 27, 2015

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary