



## Niagara Reinforcement Limited Partnership

### 2020 Interim Revenue Requirement

#### DECISION AND ORDER ON INTERIM REVENUE REQUIREMENT

December 19, 2019

Niagara Reinforcement Limited Partnership (NRLP) filed a revenue cap incentive rate-setting application with the Ontario Energy Board (OEB) on October 25, 2019 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B (Application). The Application seeks approval of NRLP's revenue requirement for each year commencing January 1, 2020 and through to December 31, 2024.

NRLP requested an effective date for its revenue requirement of January 1, 2019. NRLP also requested that, in the event the revenue requirement was not made effective by that date, the OEB approve an Interim Decision and Order making its proposed 2020 revenue requirement of \$9,389,914<sup>1</sup> effective on an interim basis as of January 1, 2020. If an Interim Decision and Order was approved, NRLP stated that it would record any differences in the revenue requirement between the Interim Decision and Order and the final approved Decision and Order in its existing NRP Transmission Line Revenue Deferral Account (NRLPDA). NRLP further stated that any balance in the NRLPDA would be cleared during a future rates application.

#### Findings

NRLP's request for an interim 2020 revenue requirement of \$9,389,914 is approved. NRLP is required to record any differences between the interim and final approved

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<sup>1</sup> EB-2018-0275/Exhibit A/Tab 3/Schedule1, p. 9, and clarification letter entitled "EB-2018-0275 – Niagara Reinforcement Limited Partnership Application for 2020-2024 Rates" submitted by Hydro One dated December 19, 2019

revenue requirement in the NRLPDA and propose disposition of the NRLPDA as part of its 2021 rates application, or earlier as may be determined through the proceeding.<sup>2</sup>

The OEB notes that, although NRLP has been in-service since August 30, 2019, NRLP does not yet have an approved revenue requirement. It is not customary for the OEB to approve an interim revenue requirement request based upon a proposal. However, given that an OEB approved revenue requirement is not available the OEB finds it reasonable to approve NRLP's request. Absent this approval, NRLP would not begin to receive revenue until after the OEB's Decision on the Application and inclusion of NRLP's approved 2020 revenue requirement into the 2020 Uniform Transmission Rates (UTR).

With respect to UTRs, the OEB will amend the interim 2020 UTRs<sup>3</sup> to reflect the OEB's approval of NRLP's 2020 interim revenue requirement. UTRs will be amended in time to allow NRLP to begin receiving revenue for January 1, 2020.

This determination is made without prejudice to the OEB's decision on the application, and should not be construed as predictive, in any way whatsoever, of the OEB's final determination with regards to the final revenue requirement or its effective date arising from this application. Despite granting an interim revenue requirement at this time, the OEB retains the discretion to set the revenue requirement and its effective date at a date later than the date of the interim revenue requirement. The OEB will ultimately set the effective date of the final revenue requirement to whatever date it ultimately determines to be just and reasonable.

#### **THE ONTARIO ENERGY BOARD THEREFORE ORDERS THAT:**

1. Niagara Reinforcement Limited Partnership's interim 2020 revenue requirement request of \$9,389,914 is approved.
2. Niagara Reinforcement Limited Partnership will record any differences between the interim and final approved revenue requirement in the NRP Transmission Line Revenue Deferral Account and propose disposition of the account no later than through its 2021 rates application.

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<sup>2</sup> EB-2018-0275

<sup>3</sup> EB-2019-0296: Decision and Interim Rate Order

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**DATED** at Toronto, **December 19, 2019**

**ONTARIO ENERGY BOARD**

*Original signed by*

Christine E. Long  
Registrar and Board Secretary