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January 15, 2021

Ms. Christine Long
Registrar
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Long,

RE: Bluewater Power Application for 2022 to 2025 Electricity Distribution Rates

We are writing the OEB today in order to provide a response to the OEB Letter to all electricity distributors dated December 16, 2020 providing those electric utilities scheduled to rebase in 2022 the opportunity to defer rebasing to better smooth the OEB workload. We also want to take this opportunity to link the content of that letter to our letter filed with the OEB on the same date advising of our election to file under Annual IR for 2022, rather than to rebase.

We have reviewed the OEB Letter dated December 16, 2020 (updated on December 17th); in particular, the footnote to Appendix A that reads as follows:

“The OEB has indicated to Bluewater Power Distribution Corporation that it is required to rebase in 2022, OEB Letter dated June 19, 2020”

First, we want to make the point that the “indication” from the OEB came in the form of a letter from OEB staff that “The OEB expects Bluewater power to file a cost of service application for 2022 rates, including a distribution system plan.”, That is to distinguish that “expectation” from, for example, an endorsement in the OEB proceeding for ELK Energy Inc. (also cited in Appendix A) of a settlement proposal requiring a cost of service application prior to 2022.

Second, we note that we are not asking for a deferral from the OEB at this time. Bluewater Power moved to Annual IR for 2021 rates and we are prepared to continue on Annual IR for 2022 rates. We recognize that the OEB has the power to call Bluewater Power in for a regulatory review; however, for the reasons already set out in our letter dated December 16th, regulatory review would not justify calling Bluewater Power in for a rebasing at this time.

Finally, we must bring to the OEB’s attention a more recent development that has caused significant concerns for our community. An article published in the Energy Section of the Financial Times on January 11, 2021 entitled “Sarnia fears thousands of job losses if Michigan blocks Enbridge’s Line 5 pipeline” expresses a significant concern for our Petrochemical Industry in a profound and clear manner. The article points to the possibility of 5,000 lost direct jobs if the decision of the Michigan Governor is not reversed. Obviously, such job loss would send the local economy into staggering upheaval. If the challenges to the Governor’s decision are not successful, then the impact on our local economy would be devastating. Moreover, the likelihood of a reversal, or the extent of the impacts on our economy if the line is closed, would remain unknown at the time of filing a 2021

Rebasing application. As a community, we remain hopeful that these impacts can be avoided; however, as the utility serving that community, we believe it would be reckless to rebase in the face of that potential economic upheaval.

As noted in our letter to the OEB dated December 16, 2020, we have updated our 2020 Annual IR application to recover rate riders to April 30, 2022. That update was consistent with our intention to stay on Annual IR for rates effective May 1, 2022.

Accordingly, we ask that our name be moved from the list of electric utilities rebasing for January 1, 2022 and that we be moved in the schedule for cost of service rates effective January 1, 2023.

All of this is respectfully submitted.

Sincerely,

A handwritten signature in black ink, appearing to read 'APalimaka', written in a cursive style.

Alex Palimaka
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