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March 18, 2021

VIA E-MAIL

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

Dear Ms. Long:

**Re: EB-2020-0041 Newmarket-Tay Power Distribution Ltd.2021 Electricity Distribution Rates
Submissions of Vulnerable Energy Consumers Coalition (VECC) on March 4, 2021
Evidence Update**

Please find enclosed the final submissions of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

(Original Signed By)

John Lawford
Counsel for VECC

Copy to: Michelle Reesor, Regulatory Manager, Newmarket-Tay Power Distribution Ltd.

EB-2021-0041

Newmarket-Tay Power Distribution Ltd.

**Application for electricity distribution rates effective
May 1, 2021**

**VECC Submissions on March 4, 2021 Evidence
March 18, 2021**

Newmarket-Tay Power Distribution Ltd. (NT Power) filed an incentive rate-setting mechanism application with the Ontario Energy Board (OEB) on November 23, 2020 under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, (Schedule B) seeking approval for changes to its electricity distribution rates to be effective May 1, 2021.

VECC's submissions are in relation to NT Power's request for incremental capital funding were filed February 18, 2021. On March 4, 2020 NT Power filed its reply submission.

On March 4, 2021, NT Power also informed the OEB and parties to this proceeding that it had become aware of new information¹ that changed the evidence already before the OEB regarding the Holland TS 10th Anniversary True Up. On March 3, 2021, Hydro One Network Inc. (Hydro One) provided NT Power with an updated calculation of the 2nd True-up related to Holland TS.

NT Power has determined the impact of the new information is as follows:

1. Forecasted 2021 contribution amount has been updated from \$6,100,000 to \$6,585,200 (variance of \$485,200);
2. CAPEX updated to \$12,982,055 from \$12,496,855 (variance \$485,200);
3. Maximum Eligible Incremental Capital updated to \$6,072,956 from \$5,587,756 (variance \$485,200); and
4. Incremental revenue requirement updated to \$602,867 from \$548,518 (variance \$54,349).

Hydro One advised NT Power that its calculations are drafts and may change after the completion of quality checks by Hydro One and consultation by Hydro One with NT Power to determine whether the analysis of the underlying data is correct.² NT Power indicates this review is expected to occur over the next several weeks, depending on the schedules of the various experts of NT Power and Hydro One.

In Procedural Order #3 dated March 15, 2021, the OEB determined it will permit this amendment to the evidentiary record, and will allow OEB staff and intervenors an opportunity to file supplementary submissions on the reliance the OEB should place on this new material in rendering a decision in this proceeding, and Newmarket-Tay Power an opportunity to reply to any such submissions.

¹ Draft for OEB IR Newmarket 10 Year True Up Line; b. Draft for OEB IR Newmarket 10 Year True Up Transformation; and c. Draft Summary of CDM Adjustments.

² NT Power_EVD update_20210304 P1

The OEB also made the following comments:

“With respect to Newmarket-Tay Power’s comments about the possibility of further changes to the true-up calculation, the OEB notes that Newmarket-Tay Power’s application is for a rate adjustment with an effective date of May 1, 2021. Newmarket-Tay Power’s mention of “several weeks” provides no certainty as to when a further revised calculation, if any, may be available, and the OEB does not wish to delay the implementation of Newmarket-Tay Power’s 2021 distribution rates and charges. If the ICM funding is approved, Newmarket-Tay Power could use the associated ICM variance accounts to track any differences between the actual ICM amount and the actual payment to Hydro One, and true-up any difference at its next rebasing application in accordance with the OEB’s ICM policy.”³

Given the OEB does not wish to delay the implementation of Newmarket-Tay Power’s 2021 distribution rates and charges, VECC submits the OEB should set May 1, 2021 rates based on the evidence in the proceeding prior to March 4, 2021. This would allow NT Power the time it needs to verify the accuracy of Hydro One’s draft calculations and make use of the ICM variance accounts to track any differences between the actual ICM amount and the actual payment to Hydro One, if the 2nd True-Up is approved by the OEB. Any difference would then be true-up at NT Power’s next rebasing application in accordance with the OEB’s ICM policy.

All of which is respectfully submitted.

³ PO#3 P2