

Elexicon Energy Inc.

**Application for electricity distribution rates beginning
January 1, 2022**

**PROCEDURAL ORDER NO. 2
October 19, 2021
Revised November 17, 2021**

Elexicon Energy Inc. filed an incentive rate-setting mechanism (IRM) application with the Ontario Energy Board (OEB) under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B), seeking approval for changes to the rates that Elexicon charges for electricity distribution, beginning January 1, 2022. The application included a request for approval of incremental funding for certain capital projects under the OEB's Incremental Capital Module (ICM) framework.

Procedural Order No. 1 issued on October 6, 2021, approved intervenor status for School Energy Coalition, Vulnerable Energy Consumers Coalition, the Consumer Council of Canada, the Mississaugas of Scugog Island First Nation (MSIFN) and Power Workers' Union.

Procedural Order No. 1 also required MSIFN to file additional information articulating its interest in this application, and specifically to provide additional details on MSIFN's issue of interest related to Elexicon's approach to consulting MSIFN.

In response, MSIFN filed a letter on October 13, 2021 elaborating on its interest in the two capital projects for which Elexicon seeks ICM funding.

The ICM is a rate-making mechanism that enables utilities to seek capital funding for significant capital projects to be undertaken in the years between cost of service applications. To be eligible for ICM funding, the project must satisfy the criteria of need, materiality and prudence as set out in the OEB's policy documents governing the framework.¹

¹ See in particular the *Report of the Board: New Policy Options for the Funding of Capital Investments: The Advanced Capital Module*, September 18, 2014, and the *Report of the Ontario Energy Board – New Policy Options for the Funding of Capital Investments: Supplemental Report*, January 22, 2016.

It is appropriate for intervenors to explore the costs of those projects in this proceeding, in particular with a view to testing whether the projects meet the eligibility requirements described in the ICM policy documents. The OEB therefore accepts the three issues cited by MSIFN as being within the scope of this proceeding:

- a. Costs related to Elexicon fulfilling the procedural aspects of the duty to consult First Nations in relation to the two projects
- b. Costs related to Elexicon's engagement of First Nations with respect to archaeological and cultural heritage matters arising from the two projects and
- c. Costs related to Elexicon's engagement of First Nations with respect to federal, provincial and municipal Crown permits and approvals required by the two projects.

The OEB finds it is necessary to establish a schedule for this proceeding. Given the schedule ordered in this Procedural Order No. 2, the OEB may not render a complete decision on Elexicon's application prior to January 1, 2022, the start of its 2022 rate year. The OEB may find it necessary to bifurcate the incentive ratemaking aspects of Elexicon's application from the ICM funding requests, issuing two separate decisions, in order to establish new base distribution rates for January 1, 2022.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. OEB staff and intervenors shall request any relevant information and documentation from Elexicon that is in addition to the evidence already filed, by written interrogatories filed with the OEB and served on Elexicon and all other parties by **October 26, 2021**.
2. Elexicon shall file with the OEB complete written responses to the interrogatories and serve them on all intervenors by **November 8, 2021**.
3. Any written submissions by OEB staff and intervenors shall be filed with the OEB and served on all other parties by **November 19, 2021**.
4. Elexicon may file a written reply submission with the OEB and serve it on intervenors by **November 30, 2021**.

Parties are responsible for ensuring that any documents they file with the OEB do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

All materials filed with the OEB must quote the file number, **EB-2021-0015**, and be submitted in a searchable/unrestricted PDF format with a digital signature through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice>. Filings must clearly state the sender's name, postal address, telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RES\) Document Guidelines](#) found at www.oeb.ca/industry. We encourage the use of RESS; however, parties who have not yet [set up an account](#), may email their documents to registrar@oeb.ca.

All communications should be directed to the attention of the Registrar at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Birgit Armstrong at birgit.armstrong@oeb.ca and OEB Counsel, Ian Richler at ian.richler@oeb.ca.

Email: registrar@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, October 19, 2021

ONTARIO ENERGY BOARD

Original signed by

Christine E. Long
Registrar