



Ontario | Commission
Energy | de l'énergie
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BY EMAIL

January 8, 2024

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Submission
Canadian Niagara Power Inc.
Application for 2024 Electricity Distribution Rates
OEB File Number: EB-2023-0009**

Please find attached OEB staff's submission on the draft rate order in the above referenced proceeding, which is filed pursuant to the OEB's Decision and Order dated December 12, 2023. Canadian Niagara Power Inc. and Vulnerable Energy Consumers Coalition have been copied on this filing.

Yours truly,

Original Signed By

Urooj Iqbal
Case Manager

Encl.

cc: All parties in EB-2023-0009



ONTARIO ENERGY BOARD

OEB Staff Submission on Draft Rate Order

Canadian Niagara Power Inc.

2024 Distribution Rate Application

EB-2023-0009

January 8, 2024

Introduction

Canadian Niagara Power Inc. (CNPI) filed an incentive rate-setting mechanism application with the Ontario Energy Board (OEB) on August 17, 2023, requesting changes to rates that it charges to distribute electricity to its customers, effective January 1, 2024.

The OEB issued a Decision and Order on CNPI's application on December 12, 2023. Among other things, the OEB directed CNPI to file a draft rate order (DRO) that reflected the OEB's findings. On December 15, 2023, the Decision and Order was revised to correct certain numerical errors and reissued to the parties.

CNPI filed its DRO on December 19, 2023. The total bill impact (including taxes and the Ontario Electricity Rebate), over the period starting January 1, 2024 to December 31, 2024, for a typical residential customer with a monthly consumption of 750kWh will be an increase of \$5.05 (3.60%).

OEB staff has no concerns with the DRO. OEB staff submits that the DRO accurately reflects the OEB's revised Decision and Order.

Comments on the DRO

In the Decision and Order, the OEB approved a Z-factor claim which included a 17.5% reduction to CNPI's proposed \$866,568 incremental capital claim.

Pursuant to the Decision and Order, CNPI filed a DRO that included revisions to the capital and interest components of the Z-factor claim.

The CNPI's proposed and OEB approved Z-factor components are displayed in the table below.

Category	CNPI's Proposed Z-factor Claim	OEB Approved Z-factor Claim
OM&A Component Principal Balance	\$892,114	\$892,114
2023 Interest (revision in Q4 2023 rates from 4.98% in the initial application to 5.49% in CNPI's Draft Decision Order) ¹	\$44,000	\$45,000
Capital Expenditures Revenue Requirement	\$48,000	\$39,600
Total Z-factor Claim	\$984,114	\$976,714

OEB Staff Submission

OEB staff submits that the DRO accurately reflects the OEB's revised Decision and Order and should, therefore, be approved as filed.

~All of which is respectfully submitted~

¹ [OEB Prescribed Interest Rates](#)