February 1, 2024

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, P.O. Box 2319
Toronto ON, M4P 1E4

Dear Ms. Marconi,

RE: EB-2022-0325: Generic Hearing on Uniform Transmission Rates – Phase 2 - Energy Probe Comments

In PO No. 1 of December 8, 2023, the OEB ordered that Intervenors file submissions on the recommendations from OEB staff regarding Issues 1, 2, and 3 by February 1, 2024. The following are the submissions of Energy Probe Research Foundation (Energy Probe). The recommendations of OEB Staff are shown in italics followed by Energy Probe comments.

Issue 1: The timing of UTR decisions

OEB Staff Recommendation
OEB staff recommends that the OEB should continue its current practices for addressing UTR timing-related issues that arise in the following scenarios:

-transmitter revenue requirement proceedings that are not finalized in December for inclusion in January 1 UTRs
-new transmitters entering service after UTRs for the year have already been set
-other updates during the calendar year

In these scenarios, the OEB's practice has been to issue interim UTR decisions effective January 1, and final UTRs and by way of updated UTR decisions during the calendar year and has established deferral/variance accounts to address potential implementation timing issues. OEB staff recommends that these practices should continue, since they have provided transmitters with timely revenue adjustments.

OEB staff anticipates that the new practice of issuing forecast UTRs will decrease balances accumulated in the distributors' transmission variance accounts.

Energy Probe Comments
Energy Probe agrees with the recommendation of OEB Staff.

Issue 2: Number of decimal places for UTRs

OEB Staff Recommendation
OEB staff recommends that since the impact of a $0.01/kW/Month increase to the UTRs in any pool does not meet any transmitter's materiality threshold, and to avoid adding any administrative burden or potential implementation costs, the UTRs should remain at two decimal places at this time.

If through future OEB initiatives, including other issues that may evolve through the OEB's Generic Hearing on UTR-related issues, there becomes a need for four decimal places, the OEB could revisit this issue at that time.

Energy Probe Comments
Energy Probe agrees with the recommendation of OEB Staff.

Issue 3: Prorating transmission charges for new connections to account for when the connection took place in the month.

OEB Staff Recommendation
OEB staff recommends that line connection and transformation connection charges for new connections should be prorated to account for when in the month the new connections were made.

OEB staff supports the proration of line connection and transformation connection charges for new connections on the principle of cost-follows-benefit: a customer that connects later in a month should not be required to pay for assets or services that were provided to others earlier in the month, before the customer was connected.

OEB staff recommends that the proration should be a simple calendar days-based proration. As an example, OEB staff recommends that if a customer connects on the 20th day of a month that has 30 days, its line connection and transformation charges should be prorated to one-third: its charge should reflect 10 days of service out of the total number of days in that month (30 in this example). The proration can be calculated on the basis of the total charge (e.g., $/month), the connection rate (e.g., $/kW/month), or on the billing demand (e.g., kW) – the arithmetic result would be the same. OEB staff recommends that the OEB should work with IESO and others as applicable to work out this and other implementation matters.

OEB staff recommends that the proration should apply to new connections in the future, beginning on an effective date to be specified. Implementation of the proration should be coordinated between the OEB and the IESO and others as applicable to work out timelines and other practical matters.

The proration of line connection and transformation connection charges for newly connected transmission customers in their first month of connection may have revenue impacts for transmitters. OEB staff's expectation is that the impacts are unlikely to be material, given the low frequency of new line and transformation connections in each month. OEB staff recommends that the OEB should work with transmitters to determine if anything should be done to address the revenue impacts that the prorations might have on transmitters.

Energy Probe Comments
Energy Probe agrees with the recommendation of OEB Staff.

Respectfully submitted on behalf of Energy Probe.

Tom Ladanyi Digitally signed by Tom Ladanyi Date: 2024.02.01 15:14:01 -05'00'

Tom Ladanyi
TL Energy Regulatory Consultants Inc.
Consultant representing Energy Probe

cc. Patricia Adams (Energy Probe Research Foundation)
Michael Price (OEB Staff)