



Ontario | Commission
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BY EMAIL

February 27, 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
Alectra Utilities Corporation (Alectra Utilities) Incremental Capital Module
Application for 2024 Electricity Distribution Rates
OEB File Number: EB-2023-0004**

Please find attached OEB staff's submission on the draft rate order in the above referenced proceeding, pursuant to the OEB's Decision and Order dated February 13, 2024.

Yours truly,

Original Signed By

Oluwole (Wolly) Bibiresanmi
Case Manager

Encl.

cc: All parties in EB-2023-0004



ONTARIO ENERGY BOARD

OEB Staff Submission on Draft Rate Order

Alectra Utilities Inc.

2024 Distribution Rate Application - Incremental Capital Module

EB-2023-0004

February 27, 2024

Introduction

Alectra Utilities Inc. (Alectra Utilities) filed an incremental capital module (ICM) application with the Ontario Energy Board on July 21, 2023, requesting changes to rates that it charges to distribute electricity to its customers in its PowerStream and Enersource Rate Zones (RZs), effective January 1, 2024.

In its Decision and Order¹ issued on February 13, 2024, the OEB approved ICM funding for \$17.3MM only in the PowerStream RZ effective from March 1, 2024.

In addition to the approval of the ICM funding, the OEB directed Alectra Utilities to file a draft rate order (DRO) showing the impact of the required adjustments related to the approved funding, with updated ICM models for the PowerStream, Enersource RZs, and 2024 Tariff of Rates and Charges².

Alectra Utilities filed its DRO on February 20, 2024.

Updated ICM Models, Bill Impacts, and Tariff of Rates and Charges for PowerStream and Enersource

Based on the DRO filed by Alectra Utilities, the total bill impact in the PowerStream RZ for a typical residential customer with a monthly consumption of 750 kWh, would be an increase of approximately \$0.19 per month before taxes and the Ontario Electricity Rebate, or 0.14% for rates effective March 1, 2024, to December 31, 2024. For 2025, the bill impact is \$0.16 per month before taxes and the Ontario Electricity Rebate, or 0.11% for rates effective Jan 1, 2025, until the effective date of the next cost of service (COS) based rate order.

Comments on the DRO

OEB staff has reviewed the DRO. OEB staff notes that Alectra Utilities has accurately updated the ICM models, bill impacts, and 2024 Tariff of Rates and Charges for the PowerStream RZ to reflect the OEB's findings in its Decision and Order. OEB staff notes that Alectra Utilities did not file any updated evidence and revised models for the Enersource RZ.³

OEB staff has no concerns with Alectra Utilities' exclusion of Enersource RZ's models and Bill impacts in the filed DRO. The OEB did not approve ICM funding in Enersource RZ therefore, updated documents for Enersource RZ are not required in this DRO.

Revenue Requirement

Alectra Utilities filed incremental revenue requirements associated with the approved

¹ EB-2023-0004, Decision and Order, February 13, 2024, p.2

² EB-2023-0004, Decision and Order, February 13, 2024, p.29

³ EB-2023-0004, Draft Rate Order, February 20, 2024, p. 3

ICM funding as summarized in Table 2 below. Alectra Utilities confirmed that the revenue requirement presented below excludes the impact of accelerated CCA and that it will record in Account 1592 sub-account CCA changes.

Table 2 – Incremental Revenue for PowerStream RZ as filed by Alectra Utilities⁴

Incremental Revenue Requirement	2024
Return on Rate base - Total	\$983,319
Amortization	\$383,856
Incremental Grossed Up PILs	(\$143,540)
Total Incremental Revenue	\$1,223,635

OEB Staff Submission

OEB staff agrees with Alectra Utilities' revenue requirement position as this reflects the OEB's Decision and Order.

~All of which is respectfully submitted~

⁴ EB-2023-0004, Draft Rate Order, February 20, 2024, p. 4