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BY EMAIL

April 17, 2024

Grace Flood
Director of Finance and Regulatory Affairs
Essex Powerlines Corporation
2730 Highway #3
Oldcastle, ON N0R 1L0
gfflood@essexpowerlines.ca

Dear Ms. Flood:

**Re: Essex Powerlines Corporation (EPLC)
Application for New Deferral Account
Ontario Energy Board (OEB) File Number: EB-2024-0096**

On February 16, 2024, EPLC filed an application requesting the OEB's approval to establish a new deferral account pursuant to Section 78 of the *Ontario Energy Board Act, 1998*. The account would be used to record commodity costs that exceed the cost of power for any kWh procured by EPLC through its Powershare¹ project for disposition at a later time. EPLC stated that its request was not made as part of EPLC's upcoming Cost of Service application for rates effective January 1, 2025, as the Powershare project is currently underway. EPLC requested February 1, 2024, as the effective date for the new deferral account.

On March 13, 2024, the OEB issued a letter in which it determined that the case would be combined with EPLC's upcoming 2025 Cost of Service application, after it has been filed. The combined proceeding will be heard by a single panel of Commissioners. The deadline established by the OEB for Cost of Service applications for January 1, 2025 rates is April 30, 2024. Given the coincident timing of the two applications, and the expectation that the benefits of the project to EPLC customers are best considered in conjunction with EPLC's other planning, the OEB concludes that hearing the applications together is both more effective and efficient.

¹ On March 7, 2022, EPLC's proposed Essex Powerlines DSO Pilot Project (Powershare) qualified for funding through the IESO's Grid Innovation Fund and support from the OEB's Innovation Sandbox.

In its March 13, 2024 letter, the OEB stated that it appreciates EPLC's timing concerns. An application for a new deferral account is normally processed in 125 days and would typically be expected to be filed in advance of the requested effective date, considering the processing timelines. However, as stated in its March 13, 2024 letter, the OEB intends to establish an expedited procedural schedule within the combined proceeding to the extent possible, in order to address EPLC's concerns. The current application is being held in abeyance until the 2025 Cost of Service application is received from EPLC, and ultimately, it will be up to the panel hearing the application to determine the effective date for the new deferral account, if approved.

Please direct any questions relating to this application to case manager Whitney Wong, Senior Advisor, at 416-440-8107 or whitney.wong@oeb.ca.

Yours truly,

Nancy Marconi
Registrar