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File No. 17001.13

April 23, 2025

BY EMAIL and RESS

Ms. Nancy Marconi
Ontario Energy Board
2300 Yonge Street, 27th floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: E.L.K. Energy Inc. (“E.L.K. Energy”)
2025 Incentive Regulation Mechanism Distribution Rate Application (EB-2024-0015) (“IRM Application”)
Interim Rates**

On October 28, 2024, E.L.K. Energy filed an IRM Application for rates effective May 1, 2025. As part of the IRM Application E.L.K. Energy requested that the Ontario Energy Board (“OEB”):

Declare current 2024 rates be interim effective May 1, 2025, as necessary, if the preceding approvals cannot be issued by the OEB in time to implement final rates effective May 1, 2025. E.L.K. requests to be permitted to recover the incremental revenue from the effective date to the implementation date if the dates are not aligned.

Procedural Order No. 1 was issued on December 9, 2024. It set out procedural steps that included discovery, a settlement conference related to two specific issues identified in E.L.K. Energy’s IRM Application, and it incorporated the OEB’s holiday blackout period. On April 9, 2025, the OEB issued Procedural Order No. 2 setting out the remaining schedule in the IRM Application that will see E.L.K. Energy file a written reply submission with the OEB on May 28, 2025. Consequently, the OEB will not be able to issue an Order or Orders fixing final rates in time for May 1, 2025 implementation. As a result, E.L.K. Energy reaffirms its above request that its existing rates for the distribution of electricity be declared interim effective May 1, 2025, and that E.L.K. Energy be permitted to recover the incremental revenue from the effective date to the implementation date.

E.L.K. Energy proposes to establish a foregone revenue variance account to track the difference in revenue between the IRM Application requested effective date and the implementation date resulting from a decision by the OEB. E.L.K. Energy proposes that the balance in this account would be cleared by means of a rate rider between the implementation date and May 1, 2026.

E.L.K. Energy submits this request is just and reasonable in the circumstances given the impact of the OEB's holiday blackout on the procedural schedule and interrogatory requests for additional discovery. Additionally, E.L.K. Energy notes that without interim rates and its request for a forgone revenue variance account being approved, its 2025 return on equity ("**ROE**") will be negatively impacted. E.L.K. Energy's 2023 ROE was substantially below the OEB's deemed ROE and its net income was a net loss of \$1.1 million. E.L.K. Energy recognizes that the IRM Application was filed 19 days late, however, for the reasons stated above, even if E.L.K. Energy had filed the IRM Application on October 9, 2024 as scheduled it is very unlikely that the OEB would have been able to issue an Order or Orders fixing final rates in time for May 1, 2025 implementation.

We look forward to your comments with regard to the above.

Yours truly,

BORDEN LADNER GERVAIS LLP



Colm Boyle

CB/JV

cc. E.L.K. Energy Inc.