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April 29, 2025

BY RESS

Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th Floor, P.O. Box 2319
TORONTO, ON M4P 1E4

**Re: Northern Ontario Wires Inc. – ED-2003-0018 – EB-2024-0046
2025 Cost of Service (“COS”) Motion to Review and Vary**

As the Board will be aware, NOW Inc. filed an updated rate order on April 17, 2025, with updates reflecting the OEB’s final cost of capital parameters for 2025 rate filers, those parameters having been released by the OEB on March 27, 2025, as part of the OEB’s decision in EB-2024-0063. The intent was to implement the cost of capital updates, as contemplated by the Settlement Proposal approved for NOW Inc.’s 2025 rates, within base rates rather than using variance accounts to be cleared in a future proceeding. The resulting new final rates incorporate a lower revenue requirement related to its short-term debt rate (\$5,028) and a lower revenue requirement related to its Return on Equity (\$11,124).

It has been brought to our attention that, because NOW Inc. received approval of its Settlement Proposal on March 18, 2025, prior to the release of the OEB’s decision in EB-2024-0063 and in the form of a final rate order, that a motion for review and vary of the OEB’s March 18, 2025 decision approving that final rate order is required in order to implement the requested cost of capital updates.

Accordingly, we ask that the OEB accept this letter as NOW Inc.’s motion for review and variance under Rule 40.01 of the Rules of Practice and Procedure (the “Rules”) of the OEB’s decision approving a final rate order for NOW Inc.’s 2025 rates on March 18, 2025, to be effective and implemented for May 1, 2025. The relief requested is that NOW Inc. be permitted to update its rate order to incorporate the final cost of capital parameters for 2025 rate filers; if the relief is approved the attached draft rate order material (Attachment A) would replace the final rate order issued on March 18, 2025.

We note that in filing this motion the intervenors (VECC, SEC) have provided their consent to the requested relief, and that OEB Staff has indicated that they have no objection to the requested relief.

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Further to the Rules we make the following submissions:

GROUND FOR THE MOTION

NOW Inc. respectfully submits that issuance of the OEB's decision in EB-2024-0063 on March 27, 2025, providing the final cost of capital parameters for 2025 filers constitutes new facts under Rule 42.01 a) ii) that were not available at time the OEB approved Final Rates for NOW Inc. on March 18, 2025.

NOW Inc. asserts that it is certain that had the OEB's final cost of capital parameters for 2025 filers been available at the time of the OEB's decision approving a final rate order for NOW Inc., that decision would have included a process for NOW Inc. to update its draft rate order to incorporate those cost of capital parameters.

NOW Inc. makes this assertion on the basis that the OEB made exactly such a process available for, for example, Hydro 2000 Inc. in its application for 2025 rates (EB-2024-0030), as Hydro 2000 Inc.'s rate order was approved on March 27, 2025, with knowledge of the OEB's final cost of capital parameters for 2025 filers. The only reason no such process was set out for NOW Inc. was that NOW Inc.'s rate order was approved 9 days before the OEB's decision in EB-2024-0063.

NOW Inc. believes that its request meets any threshold test imposed under Rule 43.01, in that the addition of the new facts, had they been known at the time of the OEB's decision, would have resulted in precisely the relief NOW Inc. is seeking. NOW Inc. asserts that it could not have known about and did not have control over the timing and content of the release of the OEB's decision establishing the cost of capital parameters for 2025 filers; it was impossible for NOW Inc. to have placed the results of a decision released on March 27, 2025 on the record for the approval of a rate order that was ultimately approved on March 18, 2025.

NOW Inc. acknowledges that the filing of the motion for review for variance is outside the 20-day time for making such a motion as set out under Rule 40.03. Accordingly, NOW Inc. asks that the OEB allow the late filing of this motion, on the basis that:

- a) this motion is being filed only 32 days from the March 27, 2025, decision establishing final cost of capital parameters for 2025 filers;
- b) this motion was preceded by a filing for the relief requested in the motion, with consent of the parties, only 21 days after the release of the updated Cost of Capital parameters;
- c) this motion is being filed with the consent of both the intervenors in the application and is unopposed by OEB Staff; and
- d) the relief requested is to the benefit of NOW Inc.'s customers, in that it implements a reduction in the revenue requirement underpinning NOW Inc.'s 2025 rates rather than track that reduction in variance accounts for future disposal.

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For all these reasons NOW Inc. respectfully requests that the OEB allow the motion to review and vary, with the result that NOW Inc.'s final rate order for 2025 rates is allowed to be updated to reflect the final cost of capital parameters for 2025 filers, as incorporated in the attached new draft rate order materials (Attachment A). As noted in its letter filed April 17, 2025, explaining the changes (Attachment B) the resulting new final rates incorporate a lower revenue requirement related to its short-term debt rate and a lower revenue requirement related to its Return on Equity with no impact on NOW Inc.'s PILs (as PILs was already zero).

NOW Inc. notes that, in the event the OEB declines to consider the motion, or if the motion cannot be determined in time for NOW Inc. to implement rates effective May 1, 2025,¹ NOW Inc. proposes to implement the originally approved rate order, subject to the approval of the proposed corrections as set out below.

CORRECTIONS TO THE FINAL RATE ORDER

In preparing the draft rate order material for the requested update to the cost of capital parameters, NOW Inc. has noted two errors in the tariff sheets that need to be corrected:

- a) the RRRP rate on the tariff sheet reflects the old rate of \$0.0014/kWh, whereas the new rate approved in EB-2024-0282 is \$0.0015/kWh such that the rate on the tariff sheet needs to be updated; and
- b) the tariff sheet and rate model incorrectly used the following descriptor for an otherwise properly calculated rate rider:

Rate Rider for Disposition of Deferral/Variance Accounts Applicable only for Non-Wholesale Market Participants - effective until April 30, 2026

The correct descriptor is as follows:

Rate Rider for Disposition of Global Adjustment Account (2025) - effective until April 30, 2026

Applicable only for Non-RPP Customers

The draft rate order for the motion at Attachment A incorporates these two corrections, which NOW Inc. submits should be allowed as corrections made pursuant to the OEB's authority under Rule 41.02 regardless of the status of NOW Inc. motion to review and vary.

¹ May 1, 2025, implementation, as indicated in the Settlement Proposal, would require a decision from the OEB approving the new rate order by May 15, 2025.

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If the OEB does not approve the motion and resulting cost of capital updates, NOW Inc. has provided updated draft rate order materials at Attachment C which reflect these two corrections without the associated cost of capital updates that could be approved by the OEB.²

If there are any questions with respect to the foregoing, please contact us at your convenience.

Yours truly,

A handwritten signature in black ink, appearing to read "Geoffrey Sutton", written over a horizontal line.

Geoffrey Sutton
Chief Financial Officer
Northern Ontario Wires Inc.
705-272-2918

² Both sets of draft rate orders also include a typographical correction noted by OEB staff and brought forward by NOW Inc. on April 17, 2025, where the rate rider for Group 2 Accounts for the Streetlighting class was incorrectly shown as being applied on a per kWh basis; NOW Inc. has corrected the Tariff sheet to indicate that the rider is to be applied on a per kW basis, consistent with the rest of the filed material.