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BY EMAIL

May 2, 2025

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Nancy Marconi:

**Re: Ontario Energy Board (OEB) Staff Submission
Ottawa River Power Corporation
2025 Distribution Rates
OEB File Number: EB-2024-0050**

Please find attached OEB staff's submission in the above referenced proceeding, pursuant to Procedural Order No 2.

Yours truly,

Urooj Iqbal
Advisor, Incentive Rate-Setting

Encl.

cc: All parties in EB-2024-0050



ONTARIO ENERGY BOARD

OEB Staff Submission

Ottawa River Power Corporation

2025 Distribution Rates

EB-2024-0050

May 2, 2025

Introduction

Context

Ottawa River Power Corporation (ORPC) filed an Incentive Rate-setting Mechanism (IRM) application with the Ontario Energy Board (OEB) on October 9, 2024 under section 78 of the *Ontario Energy Board Act, 1998*. In its application,¹ ORPC requested approval for changes to its electricity distribution rates to be effective May 1, 2025. The OEB issued its Decision and Rate Order for the application on March 20, 2025.²

By letter dated April 15, 2025,³ ORPC submitted a request to revise the Rate Rider for Disposition of Global Adjustment (GA) Account (2024) – a multi-year rate rider approved in ORPC's 2024 Decision and Rate Order⁴ (2024 GA Rate Rider) to remain in place until April 30, 2028. The GA Rate Rider established a credit of \$(0.0133)/kWh for Non-Regulated Price Plan (RPP) Class B customers. As it is a multi-year rate rider, the 2024 GA Rate Rider is included in ORPC's 2025 Tariff of Rates and Charges.

The 2024 GA Rate Rider was calculated using 2022 consumption data as reported in Tab 4 (Billing Determinants) of the Rate Generator Model,⁵ where Non-RPP consumption (excluding Wholesale Market Participant customers) was indicated as 22,736,814 kWh. This consumption value was carried forward to Tab 6.1 (GA) of the Rate Generator Model for rate rider calculation purposes.

In its April 15, 2025 letter, ORPC requested that the OEB revise the 2024 GA Rate Rider as it had identified an error in the billing determinants stemming from incorrect consumption data for Non-RPP customers. ORPC stated that the Rate Generator Model only captured consumption data for retailer-enrolled Non-RPP customers and excluded Standard Supply Service (SSS) Non-RPP customers. The actual 2022 Non-RPP metered consumption, as per ORPC's Reporting and Record-keeping Requirements (RRR) filing, was 67,076,802 kWh. When corrected for the full Non-RPP customer base, the rate rider would be \$(0.0045)/kWh, approximately one-third of the approved amount.

Due to this discrepancy, ORPC estimates that under the current rate⁶ approved in the 2024 Decision and Rate Order, ORPC will have refunded approximately \$(892,121) to customers by April 30, 2025. According to ORPC, this discrepancy would leave an

¹ [EB-2024-0050, 2025 IRM Application, October 9, 2024](#)

² [EB-2024-0050, Decision and Rate Order, March 20, 2025](#)

³ ORPC [letter](#) to the OEB, April 15, 2025

⁴ [EB-2023-0047, Decision and Rate Order, April 9, 2024](#)

⁵ EB-2023-0047, Decision and Rate Order, Rate Generator Model, April 9, 2024

⁶ [EB-2024-0050, Decision and Rate Order, Tariff of Rates and Charges, March 20, 2025](#)

estimated balance of \$(318,865) still to be refunded to customers, based on a total allocated GA balance of \$(1,210,986).

To address the issue, ORPC proposes the following amendments to its 2025 Tariff of Rates and Charges:

1. Terminate the currently approved 2024 GA Rate Rider of \$(0.0133)/kWh as of April 30, 2025
2. Implement a revised 2024 GA Rate Rider of \$(0.0052)/kWh, effective May 1, 2025
3. Apply the revised 2024 GA Rate Rider for a 12-month period, expiring on April 30, 2026

Justification and Materiality

In its request for revision, ORPC applied a materiality threshold of \$50,000, as prescribed by the OEB.⁷ The originally approved 2024 GA Rate Rider would result in customer refunds totaling approximately \$(3,568,484) over the full term until April 30, 2028. This amount would exceed the actual GA disposition amount by \$2,357,498 and, is therefore, above ORPC's materiality threshold.

The revised 2024 GA Rate Rider of \$(0.0052)/kWh is calculated based on the projected remaining balance of \$(318,865) and 2023 Non-RPP customer consumption data which is the most recent available RRR data set. By limiting the revised 2024 GA Rate Rider to 12 months, ORPC seeks to minimize customer impacts, while correcting the over-refund and avoiding undue financial harm to the utility.

This submission is being filed in accordance with Procedural Order No. 2 issued on April 30, 2025. Procedural Order No. 2 directed OEB staff to file a written submission setting out OEB staff's understanding of the need for the proposed amendment, and the basis for OEB staff's position on the matter.

OEB Staff Submission

OEB staff does not object to ORPC's request to amend the 2024 GA Rate Rider as it: (1) corrects an identified error; (2) avoids financial harm for ORPC; and (3) is similar to matters addressed in other proceedings.

First, ORPC identified an error in the billing determinants calculation, which incorrectly excludes SSS Non-RPP consumption and only captured retailer-enrolled usage. This

⁷ Filing Requirements – Chapter 2, December 9, 2024, p. 6

has led to a significant understatement of billing determinants and an overstated rate rider amount. In conducting a review of the Rate Generator Model at issue, OEB staff confirms the error identified by ORPC.

In ORPC's 2024 IRM application, the Rate Generator Model accompanying ORPC's March 19, 2024 reply submission was used in establishing the 2024 Tariff of Rates and Charges. It was this Tariff of Rates and Charges that first included the 2024 GA Rate Rider. As the Rate Generator Model, unfortunately, contained incomplete consumption data, it produced the incorrect amount to be credited to customers over the term. As the 2024 GA Rate Rider was established as a multi-year rate rider (until April 30, 2028), it continued in ORPC's 2025 Tariff of Rates and Charges. If not corrected, the rate rider will result in ORPC refunding approximately \$(3,568,484) to customers. As a result, OEB staff does not object to ORPC's request as the revised rate rider will ensure the appropriate amount owing is refunded to customers and avoid potential financial harm to ORPC.

OEB staff notes that the OEB has addressed similar issues in previous proceedings. For example, in the Guelph Hydro 2019 IRM Decision and Rate Order⁸, the OEB accepted Guelph Hydro's request for a separate rate rider for Account 1590 sub-account (2016). OEB staff notes that Guelph Hydro's request stemmed from a rate rider error due to a billing determinants error. In its findings, the OEB also determined that Guelph Hydro could recover the residual balance of Account 1590 sub-account (2016) from Non-RPP Class B (as of December 31, 2016) customers excluding Wholesale Market Participants that were the group of customers that caused the respective residual balance of Account 1590 sub-account (2016).

Although a separate rate rider was established for Guelph Hydro, OEB staff submits the approach is similar in principle to what ORPC is requesting. The only nuance is that ORPC is proposing to cancel the existing rate rider and replace it with a revised rate rider. OEB staff does not object to this.

OEB staff also notes that Rule 41.02 of the [*Rules of Practice and Procedure*](#) provides that the OEB may at any time, without notice or hearing of any kind, correct a typographical error, error of calculation or similar error made in one of its orders or decisions. OEB staff notes that this was the approach taken in other OEB decisions.⁹ OEB staff submits that the discrepancy in the present case is an error in calculation and the OEB can issue a corrected rate rider in accordance with Rule 41.02 of the *Rules of*

⁸ EB-2018-0036, Decision and Rate Order, p. 11

⁹ [EB-2019-0019](#), Algoma Power Inc.'s 2020 IRM application, the OEB corrected the unit of a rate rider (from \$/kW to \$/kWh) after the Final Rate Order was issued
[EB-2014-0080](#), Hearst Power Distribution Inc.'s 2015 IRM application, the OEB issued a correction for a Residential rate class rate rider which mistakenly included a *debit* rate rider of \$0.0013/kWh instead of a *credit* rate rider of \$(0.0013)/kWh

Practice and Procedure.

Therefore, for the reasons noted above, OEB staff does not object to the request made by ORPC.

~All of which is respectfully submitted~