

Introduction

On February 11, 2025, Newmarket-Tay Power Distribution Ltd. (“NT Power”) submitted an application pursuant to section 78 of the Ontario Energy Board Act for approval to dispose certain legacy Group 2 deferral and variance account (DVA) balances and subsequently consolidate all DVAs for its two rate zones, the Midland rate zone (“MRZ”) and the Newmarket-Tay rate zone (“NTRZ”). The OEB issued its Decision and Order on May 22, 2025 (the “Decision”). NT Power addresses the OEB’s findings below.

NT Power has fully complied with the OEB’s Decision and has implemented all of the changes directed by the OEB in its Decision. Details of the associated changes pertaining to the rate order are discussed herein. Updated DVA Continuity Schedules and tariffs are included with this draft rate order.

NT Power notes that it will begin its implementation process for bills effective May 1 very soon. NT Power expects file its reply on any comments on the draft rate order by May 30, 2025. NT Power would appreciate a final decision and rate order by June 6, 2025 at the latest, so that it can render bills effective May 1, accordingly.

Decision

The OEB approved NT Power’s request to consolidate its Group 1 and Group 2 DVAs, effective January 1, 2025, and to dispose of certain Group 2 DVA balances established by rate zone as of December 31, 2024, with two modifications:

- Account 1508, Sub-account OEB Cost Assessment, for which the OEB directed NT Power to recalculate the balance using IRM escalated base amounts, and to recalculate associate carrying charges
- Account 1557 – Meter Cost Deferral Account (Metering Inside the Settlement Timeframe (MIST)), which will be disposed of using rate riders spread over three years

All other balances proposed for disposition were approved.

NT Power’s Response

NT Power has revised the balances for Account 1508, Sub-account OEB Cost Assessment and Account 1557 – MIST that is to be disposed, and the resulting rate riders,

as per the OEB's decision. NT Power provides its updated proposed tariff in Appendix A and B. Furthermore, the DVA Continuity Schedule (Appendix C and D) reflects the OEB's findings, where:

- The balances for disposition reflect:
 - Account 1557 – MIST: The balance up to 2025. The principal balances for NTRZ is \$447,697 and MRZ is \$37,400.¹ No carrying charges were applied.
 - Account 1508, OEB Cost Assessment: The principal balance is revised to reflect escalation of the amount embedded in rates, and carrying charges are recalculated based on the revised principal balances. For NTRZ, the principal balance is revised to \$76,672, with carrying charges up to May 1, 2025 of \$15,196. For MRZ, the principal balance is revised to \$18,505, with carrying charges up to May 1, 2025 of \$3,705.²
 - Other Group 2 DVAs as proposed
- Most recent OEB-approved billing determinants
- Rate riders effective from May 1, 2025 to December 31, 2025

Note that NT Power has included the 2025 MIST balance for disposition as part of the Group 2 rider on the proposed May 1st tariff, given it is part of the overall Group 2 balances claimed for recovery in 2025. The 2026 and 2027 MIST amounts will be recovered through a Group 2 rate rider in 2026 and 2027, respectively

NT Power provides the monthly rate riders relating to the 2026 and 2027 MIST amounts that will be recovered through rate riders effective January 1, 2026 and January 1, 2027, respectively, in the table below.³ Note that the 2026 and 2027 rate riders are the same since the 2026 and 2027 MIST amounts are the same.

¹ Per IRR3, Appendix B, balance for NTRZ calculated based on 2020 for \$17,714, 2021 for \$75,910, \$88,518 annually from 2022 to 2025. MRZ calculated based on 2020 for \$5,181, and \$6,444 annually from 2021 to 2025.

² Note that the revised principal balances agree to that as calculated by SEC in its reply submission

³ IRR 3, page 9

Monthly Rate Rider for MIST Meter effective January 1, 2026 and January 1, 2027

Customer Class	Billing Determinant	NTRZ (\$)	MRZ (\$)
Residential	# of Customers	0.10	0.02
GS<50	kWh	0.0001	0.0000
GS>50	kW	0.0539	0.0149
USL	kWh	0.0001	0.0000
Sentinel	kW	0.0516	N/A
Streetlight	kW	0.0497	0.0131

NT Power will discontinue the legacy Group 2 accounts after the disposition of balances.

NT Power will discontinue Account 1557- MIST after disposition of the 2027 amount.

Furthermore, NT Power will consolidate all Group 1 and 2 accounts, effective January 1, 2025.