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File No. 17001.13

May 30, 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”) Application for 2025 Distribution Rates (EB-2024-0015)

On May 16, 2025, the Ontario Energy Board (“OEB”) issued Procedural Order No. 4 suspending the procedural schedule in EB-2024-0015 for 2 weeks to provide E.L.K. Energy an opportunity to attempt to obtain more information from Hydro One Networks Inc. (“HONI”) in respect to interrogatory question Staff-9b. The OEB directed E.L.K. Energy to file any information that it received from HONI with respect to the unbilled electricity issue by May 30, 2025.

Attached at Appendix A to this letter is the response received from HONI.

Upon reviewing the response from HONI, it appears now that the billing system updates that occurred in August 2020 to reflect changes to the physical system configuration did not cause the apparent cost of power underbilling to its host distributor. E.L.K. Energy is investigating alternative explanations to reconcile Accounts 1588 and 1589 for the years 2017 through 2019 regarding the unbilled electricity of 28 MWh.

E.L.K. Energy is continuing to investigate this issue and is therefore requesting that the OEB hold the proceeding in abeyance pending the results of this further investigation. It is too early for E.L.K. Energy to commit to a date but will file the results of this investigation once they become available. E.L.K. Energy may request recommencement of this proceeding at that time.

Yours truly,

A handwritten signature in black ink, appearing to read 'Colm Boyle', is written over a horizontal line.

Colm Boyle

From: CURRIE J. Brent <J.Brent.Currie@HydroOne.com>

Sent: Wednesday, May 28, 2025 4:09 PM

To: Kayla Lucier <klucier@elkenenergy.com>

Cc: HYDRO ONE TxDx <TxDx.HydroOne@HydroOne.com>; NIJJAR Jaspreet <Jaspreet.NIJJAR@HydroOne.com>; ATKINSON Meghan <meghan.atkinson@HydroOne.com>; SHETH Nikita <nikita.sheth@HydroOne.com>; AKSEL RUD Uri <Uri.Akselrud@HydroOne.com>; Farooq Hyder <fhyder@elkenenergy.com>

Subject: Re: E.L.K. Energy Inc. Request

EXTERNAL EMAIL

Good Afternoon Kayla,

Please find Hydro One's response that to EB-2024-0015 E.L.K Staff Supplemental Interrogatories attached, and in response to Procedural Order Number 4.

With reference to Hydro One to E.L.K. Energy billing for the years 2017, 2018, and 2019, Hydro One is not aware of:

1. Inbound communication from E.L.K. Energy to Hydro One, in summer 2024 regarding commodity charges (Hourly Ontario Energy Price and Global Adjustment) underbilling.
2. Outbound communication from Hydro One to E.L.K. Energy, in summer 2024 stating that Hydro One does not intend to perform billing adjustment or revised invoice or any other remedy for the electricity supplied from HONI.

On March 11, 2024, Hydro One received a request from E.L.K. Energy staff to provide a copy of Hydro One invoices from January 2016 to December 2021 and provide explanation for *"kWh purchased from Hydro One from E.L.K. at the embedded Kingsville TS supply point increased substantially in Aug/2020 (see chart below). Could you please advise on the driver of this increase?"*. Hydro One provided the requested invoices on March 25, 2024, and followed up on April 3, 2024 with an explanation regarding the reason for the change in kWh purchased from Hydro One, starting 2020.

No further follow-up or communication was received from E.L.K. Energy on this matter.

Hydro One re-configured the connection points of two embedded distributed generation facilities to Kingsville TS in the summer of 2020, and not in 2017 as noted by ELK, at which point the billing was adjusted accordingly. Therefore, there is no unbilled amount to be recovered by Hydro One from ELK Energy for the 2017-2019 period.

Please feel free to contact us if you need any further support in this matter.

Thanks,

J. Brent Currie

Hydro One Networks Inc.

Tx. Account Executive

Key Accounts Management

Cell: (226) 280-1030

Email: J.Brent.Currie@hydroone.com

From: CURRIE J. Brent <J.Brent.Currie@HydroOne.com>

Sent: Friday, May 16, 2025 1:27 PM

To: Kayla Lucier <klucier@elkenenergy.com>

Cc: HYDRO ONE TxDx <TxDx.HydroOne@HydroOne.com>; NIJJAR Jaspreet <Jaspreet.NIJJAR@HydroOne.com>; ATKINSON Meghan <meghan.atkinson@HydroOne.com>; Farooq Hyder <fhyder@elkenenergy.com>

Subject: Re: E.L.K. Energy Inc. Request

Good Afternoon Kayla,

I hope this email finds you well. Please find the response below from Hydro One in response to the attached Supplemental Staff notice.

With reference to Hydro One to E.L.K. Energy billing for the years 2017, 2018, and 2019, Hydro One is not aware of:

1. *Inbound communication from E.L.K. Energy to Hydro One, in summer 2024 regarding commodity charges (Hourly Ontario Energy Price and Global Adjustment) underbilling.*
2. *Outbound communication from Hydro One to E.L.K. Energy, in summer 2024 stating that Hydro One does not intend to perform billing adjustment or revised invoice or any other remedy for the electricity supplied from HONI.*

On March 11, 2024, Hydro One received a request from E.L.K. Energy staff to provide a copy of Hydro One invoices from January 2016 to December 2021. Hydro One provided requested invoices on March 25, 2024. No further follow-up or communication was received from E.L.K. Energy on this matter.

If you are you have any questions or concerns, I can arrange a meeting to discuss when you return from your vacation.

Thanks,

J. Brent Currie

Hydro One Networks Inc.

Tx. Account Executive

Key Accounts Management

Cell: (226) 280-1030

Email: J.Brent.Currie@hydroone.com

From: Kayla Lucier <klucier@elkenenergy.com>

Sent: Tuesday, May 13, 2025 5:53 PM

To: CURRIE J. Brent <J.Brent.Currie@HydroOne.com>

Cc: HYDRO ONE TxDx <TxDx.HydroOne@HydroOne.com>; NIJJAR Jaspreet <Jaspreet.NIJJAR@HydroOne.com>

Subject: RE: E.L.K. Energy Inc. Request

***** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. *****

Hi Brent,

Here is the response below from the E.L.K. team:

HONI is the party referred to as the “host distributor”. ELK recognizes that HONI is not a formal host distributor under the HONI-ELK arrangement in question, but in fact operates under an agreed upon net load billing arrangement. While the term “host distributor” is used incorrectly on the record of EB-2024-0015 in reference to HONI, the specifics of the question are not impacted by this designation, as the issue relates to commodity and GA charges and not distribution charges. We ask that HONI provide an answer on the understanding that the “host distributor” referred to is HONI, but welcome HONI providing clarity on the specifics of the HONI-ELK relationship if desired.

Any further questions, please let me know.

Thanks,

Kayla Lucier

Supervisor, Finance & Regulatory

E.L.K. Energy Inc.

519-776-5291 x204

klucier@elkenenergy.com

From: CURRIE J. Brent <J.Brent.Currie@HydroOne.com>

Sent: Friday, May 9, 2025 2:22 PM

To: Kayla Lucier <klucier@elkenenergy.com>

Cc: HYDRO ONE TxDx <TxDx.HydroOne@HydroOne.com>; NIJJAR Jaspreet <Jaspreet.NIJJAR@HydroOne.com>

Subject: Re: E.L.K. Energy Inc. Request

EXTERNAL EMAIL

Kayla,

Hydro One ("HONI") has read and reviewed the Supplemental Staff-9 and has some clarifying questions before we can provide a formal response to your inquiry. As per HONI records E.L.K. is an embedded wholesale market participant, that pays kWh energy charges to the IESO for most of your supply points. In contrast HONI bills E.L.K, kWh energy charges, only for electricity supplied from HONI embedded generators at Kingsville TS (see rows 101 to 111 in the attached Retail Totalization Table tab "501610163SP" for details).

Can you please help clarify who is being referred to as a host distributor for the purpose of this Interrogatory?

Thanks,

J. Brent Currie

Hydro One Networks Inc.

Tx. Account Executive

Key Accounts Management

Cell: (226) 280-1030

Email: J.Brent.Currie@hydroone.com

From: Kayla Lucier <klucier@elkenenergy.com>
Sent: Friday, May 9, 2025 10:13 AM
To: CURRIE J. Brent <J.Brent.Currie@HydroOne.com>
Subject: RE: E.L.K. Energy Inc. Request

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Hi Brent,

Could you please provide an update on your response to the below enquiry. In our proceeding, OEB Staff have noted they have a Submission deadline of May 16th.

Thanks,

Kayla Lucier
Supervisor, Finance & Regulatory
E.L.K. Energy Inc.
519-776-5291 x204
klucier@elkenenergy.com

From: Kayla Lucier
Sent: Friday, May 2, 2025 12:09 PM
To: CURRIE J. Brent <J.Brent.Currie@HydroOne.com>
Subject: E.L.K. Energy Inc. Request
Importance: High

Hi Brent,

Please see Supplemental Staff-9(b) attached. Could you advise the date as to when HONI will be able to provide a response to E.L.K.?

Thank you,

Kayla Lucier

Supervisor, Finance & Regulatory

E.L.K. Energy Inc.

519-776-5291 x204

klucier@elkenenergy.com

Supplemental Staff-9

Unbilled Cost of Power

Ref 1: E.L.K. Interrogatory Responses, Staff Question - 10

Ref 2: E.L.K. Interrogatory Responses, 2025 GA Analysis Workform 2016-2018_20250127

Preamble:

In Ref 1, E.L.K. Energy provides a breakdown of the estimated unbilled cost of power expenses recorded in Accounts 1588 and 1589 for the years 2017 through 2019 regarding the unbilled electricity of 28 MWh.

Particular	2017	2018	2019	Total
Account 1588	\$131,912	\$396,452	\$60,388	\$588,752
Account 1589	\$740,626	\$1,226,795	\$333,711	\$2,301,132
Total	\$872,538	\$1,623,247	\$394,099	\$2,889,884

E.L.K. Energy states that it communicated the apparent cost of power underbilling to its host distributor in the summer of 2024 and subsequently attempted to follow up to obtain a billing adjustment, revised invoice, or some other appropriate remedy. E.L.K. Energy further states, to its understanding, the host distributor does not intend to issue a billing adjustment or revised invoice.

Question(s):

- a) Please confirm as to the basis for E.L.K. Energy's "understanding" that the host distributor does not intend to issue a billing adjustment or revised invoice and provide any written confirmation regarding the same from the host distributor.
- b) If no such written confirmation has been provided by the host distributor, please ask the host distributor to provide written confirmation of the following:
 - the host distributor's acknowledgement of the unbilled cost of power of 28 MWh (approximately \$2.8 million) for the period from 2017 to 2019; and
 - the host distributor's agreement that it does not intend to seek collection of the underbilled cost of power of approximately \$2.8 million from E.L.K. Energy or E.L.K. Energy's ratepayers at any point (i.e., the host distributor is writing off these amounts).