

EB-2024-0015

## E.L.K. Energy Inc.

# Application for electricity distribution rates and other charges effective May 1, 2025

### PROCEDURAL ORDER NO. 5 June 26, 2025

E.L.K. Energy Inc. (E.L.K. Energy) filed an incentive rate-setting mechanism application with the Ontario Energy Board (OEB) on October 28, 2024, under section 78 of the *Ontario Energy Board Act*, *1998*, seeking approval for changes to its electricity distribution rates to be effective May 1, 2025.

On June 16, 2025, E.L.K. Energy filed a letter proposing that the OEB bifurcate the proceeding, separating the hearing of its application into two parts. In this procedural order, the OEB approves E.L.K. Energy's request to bifurcate the hearing of its application.

#### Issues related to Accounts 1588 and 1589 balances

In Procedural Order No. 4, the OEB suspended the proceeding for two weeks to provide E.L.K. Energy an opportunity to file a full response to supplemental interrogatory Staff-9b by May 30, 2025 regarding the balances in Accounts 1588 and 1589. Supplemental interrogatory Staff-9b asked E.L.K. Energy to provide written confirmation from Hydro One Networks Inc. (Hydro One) that it does not intend to issue a billing adjustment or revised invoice to E.L.K. Energy.

By letter dated May 30, 2025, E.L.K. Energy stated that, based on a response from Hydro One, it appeared that the billing system updates that occurred in August 2020 did not cause the apparent cost of power underbilling. E.L.K. Energy noted that it was investigating alternative explanations to reconcile Accounts 1588 and 1589 for the 2017 to 2019 years regarding the unbilled electricity. E.L.K. Energy requested the OEB to hold the proceeding in abeyance, pending the results of its further investigation into the matter. The OEB granted E.L.K. Energy's request and placed the proceeding in abeyance as of May 13, 2025.

On June 16, 2025, E.L.K. Energy filed a letter with the OEB indicating that it had advanced its investigation but was unable to reconcile the discrepancies in Accounts 1588 and 1589. E.L.K. Energy indicated that it had been in contact with the Independent Electricity System Operator (IESO) for assistance in resolving the issue and proposed that the OEB bifurcate the proceeding to separate out matters related to Accounts 1588 and 1589. The bifurcation would allow the remainder of its application to be adjudicated by the OEB. E.L.K. Energy also committed to providing the OEB with an update on its investigation related to Accounts 1588 and 1589 on or before July 31, 2025.

The OEB accepts E.L.K. Energy's proposal to bifurcate this proceeding and separate out matters related to Accounts 1588 and 1589. As a result, the OEB is ending the abeyance period effective June 26, 2025 and providing an opportunity for written submissions from parties on all other requests and proposals included in E.L.K. Energy's application, in particular:

- A Price Cap IR adjustment
- Updated Retail Transmission and Service Rates and Uniform Transmission Rates
- Disposition of Group 1 Deferral and Variance Account balances, as of December 31, 2023 excluding Accounts 1588 and 1589
- An effective date for rates of May 1, 2025

The OEB requests that submissions related to the appropriate effective date for rates include any proposed mechanism to enable the implementation of that effective date.

A settlement proposal was filed by E.L.K. Energy, School Energy Coalition, and Vulnerable Energy Consumers Coalition on March 13, 2025 regarding two issues that were subject to E.L.K. Energy's 2022 cost of service<sup>1</sup> application. OEB staff filed a submission supporting the settlement proposal. No further submissions on the settlement proposal are required.

As for E.L.K. Energy's commitment to provide an update on its investigation related to Accounts 1588 and 1589 on or before July 31, 2025, the OEB confirms its desire to receive a timely update on this matter. Once an update is provided, the OEB will issue a further procedural order outlining subsequent procedural steps to address the proposed disposition of the balances in Accounts 1588 and 1589.

<sup>&</sup>lt;sup>1</sup> EB-2021-0016

The OEB is making provision for the following related to this proceeding. Further procedural orders may be issued by the OEB.

#### THE ONTARIO ENERGY BOARD ORDERS THAT:

- 1. Any written submissions by OEB staff and intervenors shall be filed with the OEB and served on all other parties by **July 10, 2025**.
- 2. E.L.K. Energy shall file a written reply submission with the OEB and serve it on all intervenors by **July 24, 2025**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's <u>Rules of Practice and Procedure</u>.

Please quote file number, **EB-2024-0015** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the <u>OEB's online</u> filing portal.

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the <u>Regulatory Electronic Submission System (RESS)</u> <u>Document Guidelines</u> found at the <u>File documents online page</u> on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet <u>set up an</u> <u>account</u>, or require assistance using the online filing portal can contact <u>registrar@oeb.ca</u> for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the <u>File</u> <u>documents online page</u> of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the <u>Practice Direction on Cost Awards</u>.

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Harshleen Kaur at <u>Harshleen.Kaur@oeb.ca</u> and OEB Counsel, Lawren Murray at <u>Lawren.Murray@oeb.ca</u>.

Email: registrar@oeb.ca Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, June 26, 2025

#### **ONTARIO ENERGY BOARD**

Ritchie Murray Acting Registrar