



DECISION ON MOTION

EB-2025-0014

OSHAWA PUC NETWORKS INC.

**Application for electricity distribution rates and other
charges beginning January 1, 2026**

BEFORE: **Patrick Moran**
Presiding Commissioner

Anthony Zlahtic
Commissioner

Robert Dodds
Commissioner

July 15, 2025

INTRODUCTION

Oshawa PUC Networks Inc. (Oshawa PUC Networks) filed a cost of service application with the Ontario Energy Board (OEB) on April 30, 2025 under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Oshawa PUC Networks charges for electricity distribution, beginning January 1, 2026. The application was accepted by the OEB as complete on May 14, 2025, and a Notice of Hearing was issued on May 20, 2025.

[Procedural Order No. 1](#), among other matters, made provision for parties to recommend any revisions to the standard Issues List for electricity distribution rate applications for the OEB's consideration.¹ On June 20, 2025, OEB staff notified the OEB that parties had no concerns with the issues contained in the standard Issues List but that one of the intervenors, School Energy Coalition (SEC) proposed adding the following issue to the issues list.

Is the plan to seek additional funding for a new operational and administrative building in a subsequent IRM application appropriate?

While all approved intervenors agreed with SEC's proposed addition, Oshawa PUC Networks did not agree.

On June 24, 2025, the OEB issued its [Decision on Issues List](#) which approved the Issues List with the addition proposed by SEC as issue 7.3.

[Procedural Order No.2](#) set out a process for OEB staff and intervenors to file consolidated written interrogatories. On July 10, 2025 OEB staff filed the [consolidated written interrogatories](#) with the OEB and served them on Oshawa PUC Networks.

Motion for Threshold Question Determination

On July 10, 2025, Oshawa PUC Networks filed a motion under Section 8 of the [OEB Rules of Practice and Procedure](#) requesting that the OEB establish a process to make a threshold decision on Issue 7.3. Oshawa PUC Networks also requested that the threshold process run concurrently with the remainder of the issues in the Application and that the motion be heard in writing.

¹ Procedural Order No. 1 dated June 13, 2025.

In its motion, Oshawa PUC Networks stated that the scope of Issue 7.3 appears to involve a review of its decision² to not propose an ACM application for the new administrative and operational facility. Oshawa PUC Networks submitted that “filing an [Advanced Capital Module (ACM)] application or justifying the timing of future [Incremental Capital Module (ICM)] applications at rebasing are not currently a prerequisite for ICM eligibility in a future IRM application.” In its motion, Oshawa PUC Networks cited the OEB’s ACM policy which states:³

The Board will retain an incremental capital module (or “ICM”) for the IR years for projects not included in the Distribution System Plan (DSP) filed with the most recent cost of service application, and for projects that were included in the DSP but which did not contain sufficient information at the time of the cost of service application to address need and prudence.

Findings

For the reasons set out below, the OEB dismisses Oshawa PUC Networks’ motion, as filed, but provides additional clarification as to the scope of Issue 7.3.

The OEB has had the benefit of reviewing the consolidated interrogatories filed by OEB staff and intervenors and notes that there are five sets of interrogatories that are related to the current facilities expenses and planned new facility, namely:

- 1-SEC/Staff/CCC/PP/CCMBC/VECC-9
- 1-SEC/CCMBC/VECC-12
- 1-SEC/Staff/CCMBC/VECC-16
- 2-Staff/CCC/CCMBC/AMPCO-35
- 4-CCC/CCMBC-138

The issue was not put on the issues list for the purpose of determining whether Oshawa PUC Networks should apply for an ACM instead of an ICM during the IRM term. The OEB finds that the interrogatories related to the new facility also do not suggest that Oshawa PUC Networks should be making an application for an ACM as part of this proceeding, instead of an ICM application. For the reasons set out below, the OEB dismisses the motion.

² As set out in in section 2.6 of Exhibit 2 of the Application

³ [Report of the Board New Policy Options for the Funding of Capital Investments: The Advanced Capital Module](#) [EB-2014-0219], September 18, 2014, p.13

The OEB notes that, while the ACM policy provides that ICMs can still be filed for projects which did not contain sufficient information at the time of the cost of service application, in the current proceeding, Oshawa PUC Networks has not provided any details on the estimated forecast of its new building despite already spending large amounts of capital on the expenditure, such as the purchase of land. The [Chapter 5 Filing Requirements](#)⁴ state that:

A distributor should provide context on how its overall capital expenditures over the next five years, as a whole, will achieve the distributor's objectives. Particularly, a distributor should comment on lumpy investment years and rate impacts of capital investments in the long-term.

The proposed new building may be a “lumpy” investment in the forecast period of the cost of service application, and it may have rate impacts.

The Chapter 5 Filing Requirements also state that “a distributor is expected to consider the reduction in O&M costs when planning capital investments.”⁵ However, Oshawa PUC Networks has not included details on how this new building will impact this budget moving forward.

The OEB finds that it is within the scope of the current cost of service application to consider the OM&A costs associated with the current facility in the context of the new planned facility which will be the subject of a future ICM application. Given that the proposed capital investment in a new building will displace the need for OM&A expenses related to the current facility in the proposed revenue requirement to be recovered in base rates going forward, the OEB finds that it is appropriate to consider the potential impact of the new facility on the OM&A costs in the current proceeding. In that context, the OEB finds that Issue 7.3 is appropriate and that details on the impact of OM&A budget are within scope of the current proceeding.

The OEB may update the Issues List as necessary to further define the scope of the proceeding.

THE ONTARIO ENERGY BOARD ORDERS THAT:

The motion is dismissed.

⁴ Chapter 5 Filing Requirements For Electricity Distribution Rate Applications – 2025 Edition for 2026 Rate Applications, December 9, 2024, p.14.

⁵ Ibid.

DATED at Toronto, **July 15, 2025**

ONTARIO ENERGY BOARD

Ritchie Murray
Acting Registrar