

**Essex Powerlines Corporation  
EB-2025-0040  
September 29, 2025**

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**Staff-1**

**Ref: EB-2025-0040, Rate Generator Model, Tab 3, Continuity Schedule**

**Preamble:**

On September 11, 2025, the OEB published the 2025 Quarter 4 prescribed accounting interest rates applicable to the carrying charges of deferral, variance and construction work in progress (CWIP) accounts of natural gas utilities, electricity distributors and other rate-regulated entities.

**Question(s):**

- a) Please update Tab 3 (Continuity Schedule) as necessary to reflect the Q4 2025 OEB-prescribed interest rate of 2.91%.

**Staff-2**

**Ref 1: EB-2024-0022, EPLC\_DVAContinuitySchedule\_DRO\_20250415, Tab 2a.  
Continuity Schedule, Cells BC34 and BL34**

**Ref 2: EB-2025-0040, Rate Generator Model, Tab 3, Continuity Schedule**

**Preamble:**

Ref 1 indicates ending balances for Account 1595 (2018 and pre-2018) of \$(106,514) for principal and \$(71,054) for interest. However, these balances are not reflected as opening balances in the same account in Ref 2.

**Question(s):**

- a) Please confirm how these balances are being treated in the 2026 IRM application, and clarify why they are not shown?

**Staff-3**

**Ref 1: EB-2025-0040, 2026 IRM Rate Generator Model, Tab 1**

**Ref 2: EB-2025-0040, Case Manager Summary, p. 7**

**Preamble:**

In the Case Manager Summary (Ref 2), Essex Powerlines has indicated that it is not seeking approval for any adjustments to its Low Voltage (LV) service rates. However, in the 2026 IRM Rate Generator Model (Ref 1), on Tab 1, the response to the question regarding whether the utility is seeking to update its LV service rates is marked as "Yes". Additionally, Tabs 16.1 and 16.2 do not show any rate riders for LV rates, and Tab 20 (Final Tariff Schedule) indicates a rate of \$0 for LV service.

**Question(s):**

- a) Please confirm whether Essex Powerlines is seeking an update to its Low Voltage service rates in the 2026 IRM application, as there appears to be a discrepancy between the Case Manager Summary and the Rate Generator Model, Tab 1.
- b) If Essex Powerlines is not seeking an update to its LV service rates, please update Tab 1, in the Rate Generator Model to reflect "No" instead of "Yes".

**Staff-4**

**Ref 1: 2026 Commodity Accounts Analysis Workform, Tab "GA 2024"**

**Ref 2: 2026 IRM Application, Manager's Summary, Deferral and Variance Accounts, p.7**

**Preamble:**

OEB staff notes that the analysis of the \$24,192 variance in Ref 2 appears incomplete. The explanation provided does not fully account for the total unresolved difference identified in Ref 1.

**Question(s):**

- a) Please clarify the reason for the \$24,192 variance. If a detailed explanation is not currently available, indicate when Essex Powerlines expects to be able to provide one.
- b) Please confirm whether Essex Powerlines is seeking final disposition of Group 1 accounts, including Account 1589.
- c) If Essex Powerlines is seeking final disposition of the Group 1 accounts, please clarify how Essex Powerlines intends to address the unresolved variance in Account 1589 identified in Ref 1.
- d) Additionally, if the potential adjustment is material post-final disposition, please explain how Essex Powerlines proposes to manage it.
- e) Did Essex Powerlines consider the option of disposing of the Group 1 balances, excluding Accounts 1588 and 1589? If so, please explain why this approach was ultimately not pursued.

**Staff-5**

**Ref 1: 2026 Commodity Accounts Analysis Workform, Tab “Principal Adjustments”, Note 8, Table: Account 1588 -RSVA Power**

**Ref 2: EB-2024-0022, EPLC\_DVAContinuitySchedule\_DRO\_20250415, Tab 2a. Continuity Schedule, Cell BF31**

**Ref 3: 2026 Commodity Accounts Analysis Workform, Tab “Principal Adjustments”, Note 9, Table: Account 1588 -RSVA Power, Cell V56**

**Preamble:**

In the previous year’s rate application (i.e., the 2025 rate application), principal adjustment was recorded in Account 1588 (Ref 2). This adjustment must be appropriately reversed in the current year. However, OEB staff notes that the principal adjustment recorded in Account 1588 in the prior year has only been partially reversed in the current year (Ref 1).

**Question(s):**

- a) Please explain the nature of the over-accrual error recorded in Ref 1 and why it is not reversed in the current rate application.
- b) Please clarify why the settlement true-up amount for the years 2017 to 2021 is not reversed in Ref 1.

- c) Please confirm whether the discrepancies noted in parts a) and b) are due to a reporting error. If so, please make the necessary corrections and submit an updated Commodity Accounts Analysis Workform.
- d) Please explain the amount related to “Unbilled to actual revenue difference” in Ref 3.

**Staff-6**

**Ref 1: EB-2025-0040, 2026 IRM Rate Generator Model, Continuity Schedule, Tab 3**

**Preamble:**

OEB staff notes that there is a balance recorded in Account 1595 (sub-accounts for 2022 to 2024), both in principal and interest, as of December 31, 2024 (Ref 1). However, Essex Powerlines has only requested disposition of the 2021 balance in the current application. In the previous 2025 Cost of Service application, Essex Powerlines only requested disposition of the 2018 sub-account balance.

**Question(s):**

- a) Please explain Essex Powerlines’ disposition practices for Account 1595 balances. Specifically, OEB staff is seeking clarification on the mechanism or strategy Essex Powerlines follows for disposing of balances in Account 1595. What do these balances (Ref 1) represent, and how does Essex Powerlines determine which years to request for disposition?
- b) Why has Essex Powerlines not requested disposition of the balances recorded in Account 1595 for the years 2022 to 2024? OEB staff would appreciate an explanation regarding the rationale or policy behind excluding these years from the current disposition request provided these balances were not disposed of in the previous applications.

**Staff-7**

**Ref 1: EB-2025-0040, 2026 IRM Rate Generator Model, Tab 8 “STS – Tax Change”, Cell H40**

**Ref 2: EB-2024-0022, 2025 Rebasing Application, EPLC\_RevReqWorkform\_DRO\_20250415, Cell S10**

**Preamble:**

OEB staff notes that the amount in Ref 1 should equal the amount of the total tax credits as per the OEB’s decision in Ref 2.

**Question(s):**

- a) OEB staff notes that the amounts in Ref 1 and Ref 2 do not reconcile. Please explain why.
- b) If any updates are required, please update the 2026 Rate Generator Model accordingly.

**Staff-8**

**Ref 1: 2026 Rate Generator Model, Tab 4: Billing Det for Def-Var, Column N**

**Preamble:**

Column N represents the residual account balance to be allocated to the rate classes in proportion to the recovery share as established when the rate riders were first implemented.

**Question(s):**

- a) Please confirm whether the balance proposed for allocation corresponds to the residual ending balance recorded in Account 1595 for the 2021 rate year.
- b) Please provide the rationale for the percentages or ratios used to allocate the residual balance to the respective rate classes. Specifically, confirm whether these percentages align with those originally used when the rate riders were first implemented. If they differ, please explain the basis for the revised allocation.
- c) Please confirm the sunset date or expiration date of the rate riders associated with the residual balance.
- d) Please explain why this residual balance was not disposed of in previous applications.