



Grimsby Power Incorporated

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March 9, 2026

VIA RESS

Ritchie Murray, Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON, M4P 1E4

Dear Mr. Murray,

We thank the Board for the opportunity to provide additional information with respect to Grimsby Power Inc.'s (GPI) request for a deferral of its 2027 cost of service application.

Before providing additional information, we want to advise the Board that, if permissible, GPI would like to amend its request and ask for a two-year deferral (from 2027 to 2029) instead of the originally requested one year deferral. On reflecting on the answers to the Board's inquiries GPI has concluded that it and its ratepayers would benefit from a two-year deferral, particularly in relation to the cost-of-service sequencing issues raised below in connection with GPI's embedded distributor. Having said that, GPI recognizes that it originally asked for a one-year deferral, so accepts that it is in the Board's hands as to whether, assuming the Board accepts that a deferral should be granted, whether that deferral should be for the newly requested 2-year period (rebasing for 2029 rates) or only for the originally requested 1-year period (rebasing for 2028 rates).

In its original letter seeking a deferral, GPI largely relied on the direction from the Board's December 1, 2021, letter setting out the OEB's approach to deferrals, including specifically the OEB's direction that, during a deferral period, "...rates [should] remain just and reasonable for electricity consumers". To that end, GPI continues to rely on the information provided in its initial letter, which demonstrates that:

- a) GPI is one of the most efficient distributors in the province, with a benchmarking result of -40.4% in 2024, the 6th best result in the province,
- b) GPI's performance metrics meet or exceed targets in most categories, SAIDI/SAIFI metrics were below target in some years. Those metrics are addressed below under SAIDI/SAIFI,
- c) GPI has demonstrated its ability to materially fulfill its planned capital program, and
- d) GPI's ROE remains within the 300-basis point deadband around its deemed ROE.

In response to the OEB’s letter dated March 2, 2026, GPI provides the following additional information with respect to:

- a) The reasons for the deferral and how a deferral benefits GPI and its customers, and
- b) Updated information with respect to GPI’s SAIDI/SAIFI performance.

Reasons for Deferral Request

Resourcing Constraints

As is the case with other small distributors as expressed in their request for deferrals, preparing and filing a cost-of-service application is a resource intensive undertaking for a utility as small as GPI, which has less than 13,000 customers and 17 full time employees. Accordingly, GPI respectfully submits, pacing out cost of service applications for such utilities when overall performance meets the Board’s expectations and rates are demonstrably just and reasonable is a benefit to both the utility and to its customers.

GPI is currently experiencing a shortage of internal engineering support, support that is important for the development of the Distribution System Plan as part of any cost-of-service filing, particularly given the relatively small size of GPI’s employee complement. Accordingly, a deferral, in addition to providing relief to GPI and a benefit to ratepayers because of deferred rebasing costs and deferred rebasing of rates, would assist GPI by providing additional time to attend to the shortage of internal engineering support so that it will have the internal resources needed to develop its Distribution System Plan in support of its next cost of service application.¹

Relationship to its Embedded Distributor

We note that Niagara Peninsula Energy Inc. (NPEI), an embedded distributor of GPI’s, received a 2-year deferral to 2028.² NPEI is currently in the process of planning and constructing a large transmission station (the NPEI Spring Creek TS) with a planned in-service year of 2027. The status of that build and how it will be incorporated into the Niagara region in terms of alleviating capacity constraints, including at GPI’s Niagara West

¹ It is not GPI’s intent to suggest that it could not develop a DSP to support a COS filing without the internal engineering resources in place; it is simply that in the event a DSP had to be developed to support a COS filing without those internal resources in place, GPI would have to rely more heavily on 3rd party resources as part of the COS process, materially increasing the cost of the application process while at the same time losing the value of having the person(s) in charge of implementing the DSP provide input and direction in developing the DSP.

² In requesting a deferral NPEI cited “the additional time and resources required to prepare a Cost of Service rate application” as the reason why “. . .deferring its Cost of Service at this time is in the best interest of both the utility and its customers.” See NPEI Letter Re: Cost of Service Deferral, January 14, 2025).

Municipal Transformer Station (NWMTS), are important inputs into GPI’s rates.³ GPI respectively submits that the impact of the new NPEI Spring Creek TS on GPI’s role as a host distributor to NPEI, including how the NWMTS may be utilized going forward in 2028 and beyond by both GPI and NPEI, are better considered as part of a Cost-of-Service application filed by GPI either for the setting of 2028 rates, at the same time NPEI is explaining the impact of its new station in its own 2028 rate application, or subsequently in a Cost-of-Service application by GPI for 2029 rates pursuant to GPI’s amended request for a two-year deferral period.

In summary: It is GPI’s respectful submission that considering:

- a) GPI’s continued stable performance under Price Cap IR rate setting,
- b) the time and resources required to prepare a Cost-of-Service rate application coupled with the specific near term resource constraints GPI faces, and
- c) specific concerns about rebasing GPI’s rates in advance of certainty with respect to the impacts of the new NPEI Spring Creek TS, particularly given GPI’s role as a host distributor to NPEI,

deferring GPI’s Cost of Service application is in the best interest of both the utility and its customers.

SAIDI/SAIFI

With respect to the relative increase in SAIDI and SAIFI results in 2024 compared to previous years, GPI has noted that the increase, after normalizing for loss of supply events outside of its control, is largely attributable to an unusual number of adverse weather related tree contracts where the tree responsible for the contact was situated outside of a right of way.

GPI provides below SAIDI and SAIFI tables that add unaudited 2025 information that was unavailable when it prepared and filed its original deferral request.

Table 1 shows that, even on an unadjusted basis, SAIDI and SAIFI levels have returned to a more “normal” level in 2025:

Table 1

GPI SAIDI/SAIFI Unadjusted						
	2020	2021	2022	2023	2024	2025
SAIDI	0.64	3.08	2.67	1.69	6.64	4.01
SAIFI	0.92	1.71	2.34	1.31	3.53	1.55

³ Per GPI’s 2022 Cost of Service application approximately 40% of the capacity of GPI’s NWTS is used to provide service to NPEI customers, with NWTS reaching maximum capacity in the near term. The timing of the energization of the NPEI TS, as well as the use of the NPEI to meeting existing and incremental load in the Niagara region, are all important data inputs for GPI’s rates.

Table 2, which adjusts for loss of supply outside of the control of GPI, shows 2025 results that are the lowest that GPI has experienced since 2020:

Table 2

GPI SAIDI/SAIFI Loss of Supply Adjusted						
	2020	2021	2022	2023	2024	2025
SAIDI	0.64	1.82	2.35	1.69	4.28	1.59
SAIFI	0.92	1.27	1.96	1.31	2.33	0.67

Table 3 shows that the driver of the difference between 2024 and 2025 is largely adverse weather conditions resulting in tree contacts⁴:

Table 3

GPI SAIDI/SAIFI Loss of Supply & Adverse Weather Tree Contact Adjusted						
	2024			2025		
	Loss of Supply Adjusted	Adverse Weather Tree Contact	Loss of Supply & Adverse Weather Tree Contact Adjusted	Loss of Supply Adjusted	Adverse Weather Tree Contact	Loss of Supply & Adverse Weather Tree Contact Adjusted
SAIDI	4.28	1.93	2.35	1.59	0.00	1.59
SAIFI	2.33	1.06	1.26	0.67	0.00	0.67

With respect to off right-of-way tree contacts, GPI notes that, while the decrease in the impact on SAIDI and SAIFI is modest based on the exact details of each incident and the needed repairs, the incidents of such contacts fell from 8 incidents in 2024 to only 3 in 2025:

GPI SAIDI/SAIFI Tree Contacts Off Right-of-Way		
	2024	2025
# of Incidents	8	3
SAIDI	1.33	1.30
SAIFI	0.79	0.39

Accordingly, based on the detailed information GPI has for 2024 and 2025 interruption events, it appears that the temporary increase in SAIDI and SAIFI in 2024 relative to 2025 (the only other year where GPI has detailed sub-cause data as a result of the Board’s updated record keeping requirements) was largely attributable to a combination of adverse

⁴ GPI notes that it does not have the granularity of data to provide similar information for the 2000 to 2023 period; GPI began tracking outage data at this increased level of granularity in 2024 in response to the added tracking requirements implemented by the Board in the context of the Amendments to Reporting and Record-keeping Requirements Reliability and Power Quality Review – OEB File No. EB-2021-0307.

weather events and an unusual number of off of right of way tree contacts outside of weather events.

GPI has no direct control over trees that are entirely outside of its right of ways that may fall into GPI assets. However, GPI has reached out to 3rd parties that may have such direct control (i.e. the municipality, the conservation authority) to explore measures that those parties may take to minimize the risk that trees under their care fall into GPI assets.

Conclusion

GPI again thanks the Board for the opportunity to provide additional information in support of its request for a deferral of its 2027 cost of service application. As noted earlier in this letter, GPI has amended its request to ask for a 2-year deferral to a 2029 cost of service application, such that GPI would apply for January 1, 2027 and 2028 rates on the basis of the OEB's 4th GIRM Framework; in the event the OEB allows a deferral but does not see fit to allow GPI to amend its request, then per GPI's original submission the request is for a 1-year deferral to a 2028 cost of service application with use of the 4th GIRM framework for 2027 rates. In GPI's respectful submission, based on a review of its circumstances and the circumstances of distributors that have been granted deferrals under the OEB's current approach to deferral requests, GPI believes that it has met the burden of demonstrating that a deferral should be granted as requested.

Yours truly,



Remy Fernandes

President and CEO

Grimsby Power Inc.

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