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File No. 23018.12

March 13, 2026

BY EMAIL & RESS

Mr. Ritchie Murray
Ontario Energy Board
2300 Yonge Street, 27th floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Mr. Murray:

**Re: Orangeville Hydro Limited Application for 2026 Electricity Distribution Rates (EB-2025-0015)
Reply Argument**

We are counsel to Orangeville Hydro Limited in the above captioned matter. Please find enclosed an electronic copy of the Reply Argument.

Yours truly,

BORDEN LADNER GERVAIS LLP

A handwritten signature in black ink that reads 'Colm Boyle' in a cursive script.

Colm Boyle

CB/JV

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, being Schedule B to the Energy Competition Act, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an application by Orangeville Hydro Limited for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2026.

ORANGEVILLE HYDRO LIMITED
REPLY ARGUMENT

FILED: March 13, 2026

Board File No. EB-2025-0015

ORANGEVILLE HYDRO LIMITED

REPLY ARGUMENT

1. On February 27, 2026, Ontario Energy Board (“**OEB**”) Staff filed submissions on Orangeville Hydro Limited’s (“**OHL**”) incentive rate-setting mechanism (“**IRM**”) application (“**Application**”). OHL is filing this reply argument in response to those submissions.
2. OEB Staff states that it has no concerns with OHL’s: (i) proposed Price Cap adjustment; (ii) updates to its Retail Transmission Service Rates; (iii) updates to its Low Voltage Service Rates; (iv) a shared tax rate rider to refund customers \$34,829; and (v) approval of the 2026 revenue-to-cost ratio adjustment for the Sentinel Lighting class.¹ OHL agrees with OEB Staff.

1. CHARGE TYPE (CT) 1142

3. In the Application, OHL requested that the OEB grant an exception to the IESO two-year adjustment period for 2021 and 2022 amounts relating to CT1142 claims.² However, in interrogatory response (“**IR**”) Staff-31(a) OHL confirmed that this request for relief was not required. As a result, OEB staff did not provide a comment on this matter.³
4. On October 27, 2025, the Independent Electricity System Operator (“**IESO**”) filed a letter in EB-2024-0015 describing how it applies the two-year limitation period.⁴ The IESO confirmed it does not apply the two-year limitation period to any programs other than those listed in the letter. OHL understands that the CT1142 claims are not subject to any of the programs identified in the IESO’s letter.
5. In light of the foregoing, OHL advises that it engaged directly with the IESO to settle the 2021 and 2022 amounts associated with the CT1142 claims. OHL confirms that it does not require an order from the OEB in this regard.

2. ACCOUNT 1589 (2016)

6. In OHL’s 2020 IRM application,⁵ Orangeville Hydro was granted final disposition of the 2016 balances in Accounts 1588 and 1589. The principal adjustment of (\$201,219) was included in the Account 1589 disposed balance.
7. In OHL’s 2021 IRM application,⁶ the OEB required a review by the OEB’s Inspection and Enforcement department spanning the years 2017-2020 for Accounts 1588 and 1589. This inspection report was released in September 2023.

¹ OEB Staff Submission at pg. 1.

² Application, Manager’s Summary at pgs. 5 & 23.

³ OEB Staff Submission at pg. 1.

⁴ EB-2024-0015, IESO, Application of the Two-Year Limitation Period, October 27, 2025.

⁵ EB-2019-0060

⁶ EB-2020-0046

8. In OHL's 2024 cost of service application, the OEB approved disposition of all amounts in Accounts 1588 and 1589 for the years 2017 to 2020 on a final basis and 2021 to 2022 on an interim basis.
9. While the original 2016 principal adjustments were included in the 2020 final disposition of Accounts 1588 and 1589, the corresponding reversal amount in 2017 (i.e., a debit of \$201,219) was excluded from the disposed balances ("**2017 PA Correction**"). This resulted in an over-refund to customers that OHL is seeking to correct in the current IRM Application.
10. The 2017 PA Correction stemmed from an estimated amount that was not ever posted to Account 1589. It did not relate to funds received or paid by OHL, but rather related to a change in unbilled GA rates. OHL acknowledges that the 2017 PA Correction should have been reversed on the 2017 GA workform. However, as this process was new to OHL at the time, the implications of not reversing the PA were not fully understood.
11. OEB Staff did not identify the missing 2017 PA Correction in the 2017 GA workform in its September 2023 Inspection Report - Inspection of Group 1 Deferral and Variance Accounts 1588 and 1589.⁷ In fact, on January 26, 2023, OHL specifically sought clarification on the 2017 PA Correction during the inspection of Accounts 1588 and 1589, however this inquiry was not addressed or included in the final inspection report issued in September 2023. It was only after the inspection was completed that OHL understood the impact of not making the 2017 PA Correction, and determined it should have also been reversed. OHL initially requested the 2017 PA Correction as part of its 2025 IRM application.
12. OEB Staff takes the position that OHL's request for the 2017 PA Correction should be denied on the basis that it contravenes the rule of retroactivity in two respects: (i) it would result in reopening the 2024 cost of service settlement agreement; and (ii) it does not fit into the asymmetric approach stated in the OEB's October 31, 2019 Letter ("**Letter**").⁸ OHL does not agree with OEB Staff.
13. For the reasons that follow, OHL submits that recovery of \$201,219 is appropriate to correct amounts erroneously refunded to ratepayers in 2020. OHL is not seeking recovery of any interest accrued since 2020 of \$31,445 in recognition that the underlying error was within its control.

2.1 Purpose of Flow-Through Accounts

14. The OEB expressly permits retroactive adjustments for variance accounts that are designed to "pass-through" IESO and other third party charges that electricity distributors have paid or that are payable and that are intended to be passed through to their customers without earning a

⁷ EB-2023-0045, Application – Exhibit 9, Appendix 9-D.

⁸ OEB Staff Submission at pgs. 4-5; OEB, Adjustments to Correct for Errors in Electricity Distributor "Pass-Through" Variance Accounts After Disposition, October 31, 2019.

profit or incurring a loss. This unique treatment is set out in the OEB's 2019 Letter and specifically relates to Accounts 1588 and 1589, amongst others.

15. The stated policy rationale in the Letter is that “[t]hese variance accounts are designed to ensure that customers ultimately pay no more and no less than what their distributor paid, and that costs are tracked for recovery on an appropriate basis.” Such errors, which have been discovered in a number of cases after an account balance has been disposed of through a final order, are of particular concern given the potential for the balances – and by extension the associated implications for customers – to be very large. Indeed, denial of OHL's requested 2016 PA reversal for Account 1589 will have a significant impact on its financial viability, as discussed below.
16. OHL does not earn a profit on pass-through accounts. Pass-through accounts are simply a tracking mechanism to pay for, and recover, the cost of electricity. The OEB acknowledges that retroactive adjustments are permissible to pass-through accounts provided they meet the four factors.

2.2 Cost of Service Application

17. OEB Staff submits that OHL should write off the 2017 PA Correction. OEB Staff argues that the 2017 PA Correction effectively undoes what had been agreed to by the parties to that proceeding, and what was subsequently approved by the OEB.⁹ OHL does not agree with OEB Staff.
18. The OEB's prior decisions on retroactive adjustments to pass-through accounts make clear that it is irrelevant whether the affected accounts were previously disposed of on a final basis through a cost of service or IRM application. For example, in EB-2021-0038, the OEB granted Kitchener-Wilmot Hydro Inc. recovery of retroactive amounts for the period from June 2015 to November 2020 in its December 16, 2021 decision, notwithstanding that the utility had entered into a settlement agreement for its cost of service application on October 17, 2019 in respect of the same variance account.¹⁰ A similar result also occurred in Waterloo North Hydro Inc. in EB-2022-0067.
19. It is also not correct for OEB staff to assert that the parties in the 2024 cost of service Settlement Proposal “*did not have knowledge that the rates were subject to future change.*”¹¹ Accounts 1588 and 1589 are expressly designed to ensure that customers ultimately pay no more and no less than what their distributor paid, and that costs are tracked for recovery on the appropriate basis, without OHL earning a profit or incurring a loss.¹² Pass-through accounts are expressly excluded from the OEB's revenue decoupling policy and not intended to impact utility earnings. This intent was clearly established by the OEB's 2019 Letter at the time the parties entered into the 2024 Settlement Proposal – the parties knew or ought to have known pass-

⁹ OEB Staff Submission at pg. 5.

¹⁰ Decision and Order EB-2019-0049, October 17, 2019

¹¹ OEB Staff Submission at pg. 5.

¹² OEB 2019 Letter.

through accounts could be subject to future change. OHL submits that the 2017 PA Correction best reflects the policy intention of pass-through accounts.

2.3 Retroactivity

20. OEB Staff submits that OHL should write off the 2017 PA Correction on the basis that the 2017 PA Correction offends the rule against retroactivity. OHL submits that this legal interpretation by OEB Staff is incorrect.
21. OEB Staff cites the Ontario Court of Appeal's decision in *Union Gas Ltd. v. Ontario Energy Board* for the proposition that the exceptions to the rule against retroactivity are narrow and appears to suggest that the OEB's 2019 Letter is improper. However, the OEB has previously ruled that the OEB's 2019 Letter does not constitute impermissible retroactive ratemaking.
22. In EB-2021-0038 the OEB distilled the following key principles from *Union Gas Ltd. v. Ontario Energy Board* and permitted retroactive adjustments for pass through accounts in accordance with the OEB's 2019 Letter:¹³
 - Generally speaking, an economic regulatory body such as the OEB may not exercise its rate-making authority retroactively or retrospectively;
 - Nonetheless, courts have recognized qualifications on the principle against retroactive ratemaking;
 - Deferral accounts are “accepted regulatory tools” that “enabl[e] a regulator to defer consideration of a particular item of expense or revenue that is incapable of being forecast with certainty for the test year;
 - However, “[s]lavish adherence to the use of interim rates and deferral accounts should not prohibit adjustments” in a proper case;
 - Simply because a ratemaking decision has an impact on a past rate does not mean it is an impermissible retroactive decision; the critical factor for determining whether the regulator is engaging in retroactive ratemaking is the parties' knowledge that the rates were subject to change.

The OEB agrees with KWHI's reply submission that the rule of retroactive ratemaking is not “ironclad” and finds that applying the OEB's Generic Approach set out in its October 2019 letter does not constitute impermissible retroactive ratemaking in the circumstances of this proceeding. [Emphasis added]

23. The Ontario Court of Appeal stated that the OEB's power in respect of setting rates is to be interpreted broadly and extends well beyond a strict construction of the task.¹⁴ OHL submits

¹³ Decision and Rate Order EB-2010-0038, December 16, 2021, pgs. 17-18.

¹⁴ *Toronto Hydro-Electric System Limited v. Ontario Energy Board*, 2010 ONCA 284, para 25.

that neither 2024 cost of service decision nor rule against retroactivity prohibit the OEB from making retroactive adjustments in the circumstances of this IRM rate proceeding.

2.4 Application of 2019 OEB Letter

24. As identified by OEB Staff, where an accounting or other error is discovered after the balance in one of the specified pass-through variance accounts has been cleared by a final order of the OEB, the OEB will determine on a case-by-case basis whether to make a retroactive adjustment based on the particular circumstances of each case, including factors such as:
 - a. Whether the error was within the control of the distributor;
 - b. The frequency with which the distributor has made the same error;
 - c. Failure to follow guidance provided by the OEB; and
 - d. The degree to which other distributors are making the similar errors.
25. On these four factors, OEB Staff takes the following positions: (a) this error was within Orangeville Hydro's control; (b) the OEB has raised concerns, in several instances, regarding balances of Accounts 1588 and 1589 in OHL's rate proceedings since 2018; (c) OHL did not follow the OEB's Accounting Guidance for the Commodity Variance Accounts 1588 and 1589 because it had not reversed the 2017 PAs on a timely basis and therefore disposed an incorrect balance of Account 1589; and (d) the OEB denied retroactive adjustments in other rate applications, and specifically Festival Hydro's 2026 IRM application.
26. With respect to factor (a), OHL agrees with OEB Staff that the error was within its control. However, the error was unintentional and did not harm ratepayers. It is important to note that the error was not obvious to OHL until after the OEB issued its investigation report in September 2023 and OHL began preparing its 2025 IRM application. OHL sought the 2017 PA Correction at the earliest opportunity.
27. Additionally, OHL sought to clarify the treatment of the 2017 PA Correction error with OEB Staff during the inspection, as described above. While OHL acknowledges it ultimately has responsibility for the accuracy of Accounts 1588 and 1589, OEB Staff also have a duty to conduct its inspections thoroughly, fairly and with rigour. That includes a duty to respond to clarifications requested by entities that are subject to the inspection. OHL is not ascribing blame, but is instead noting that this issue was also not identified by OEB Staff.
28. With respect to factor (b), OHL acknowledges that the OEB raised concerns about the balances of Accounts 1588 and 1589 in OHL's prior rate proceedings, however this does not tell the complete story. OHL has not made this exact same error previously and is a first occurrence of an error of this nature. At the time of the error for 2016 balances in the 2020 IRM application, this was a brand-new OEB process and OHL was in its first year of applying principal adjustments and requesting disposition through the GA Workform.

29. It is important to note that OEB Staff did not identify the 2017 PA Correction in the 2023 Inspection Report despite OHL fully complying with OEB Staff's requests for personnel interviews, IESO invoices, customer billing data, settlement calculations and accounting records.¹⁵ This 2017 PA Correction was within the scope of OEB Staff's prior inspection and had specifically been raised by OHL on January 26, 2023.
30. With respect to factor (c), OHL does not agree that it failed to follow guidance provided by the OEB. In 2018, the OEB suspended its approvals of Group 1 rate riders on a final basis pending the development of further accounting guidance on commodity pass-through variance accounts.¹⁶ Clearly, there was significant confusion among distribution utilities regarding the OEB's expectations for pass-through variance accounts.
31. The OEB's Accounting Guidance for the Commodity Variance Accounts 1588 and 1589 referenced by OEB Staff was issued on February 21, 2019 and to be implemented by August 31, 2019, with retroactive adjustments only back to January 2019.¹⁷ This means that implementation only occurred four months before OHL filed its first IRM application with this guidance in November 2019. OHL had very little time to consider and incorporate this guidance into its 2020 IRM application, as the 2017 PA Correction arose from the final disposition of 2016 amounts in Account 1589.
32. OHL submits the error was inadvertent and not due to a failure to follow OEB guidance. It is unreasonable for OEB Staff to not afford OHL a period of transition to consider and incorporate the 54-page Accounting Guidance for the Commodity Variance Accounts 1588 and 1589. In any event, the guidance was only intended to apply retroactively to January 2019.
33. With respect to factor (d), OHL does not agree that the OEB has strictly denied retroactive adjustments in other rate applications. In fact, there are several more instances where the OEB approved recovery of retroactive adjustments from ratepayers, while accounting for inter-generational equity concerns, including:
- a. In EB-2023-0039, the OEB disallowed only \$38,636 of a proposed retroactive adjustment totalling \$768,874 for 2020 in respect of Accounts 1588 and 1589 for Newmarket-Tay Power Distribution Ltd. This amount was determined based on the proportion of customers who remained customers of Newmarket-Tay Power Distribution Ltd. both at the time the error occurred and at the time the correction was proposed to be implemented. The OEB also disallowed the recovery of any accumulated interest.
 - b. EB-2023-0106, the OEB approved a partial disposition of the principal amount of the error that was made by Synergy North Corporation, disallowed a portion of the balance related to that error, and denied recovery of any associated interest costs. There were

¹⁵ EB-2023-0045, Application – Exhibit 9, Appendix 9-D, s.4

¹⁶ Decision and Rate Order EB-2019-0060, April 16, 2020, pg. 6.

¹⁷ OEB, Accounting Procedures Handbook Update, Accounting Guidance Related to Commodity Pass-Through Accounts 1588 & 1589, February 21, 2019, at pg. 9.

- coding errors that originated from GS>50 kW customers who transitioned from non-interval meters to real-time meters. The errors resulted in excess credits being distributed to all non-Wholesale Market Participant customers in the 2021 and 2022 IRMs on a final basis and excess credits being distributed to customers back to 2016. The OEB disallowed only \$47,088 of a proposed retroactive adjustment totalling \$679,034. This amount was determined based on the proportion of customers who remained customers of Synergy North both at the time the error occurred and at the time the correction was proposed to be implemented.
- c. In EB-2023-0019, the OEB fully approved EARTH Power Corporation's retroactive adjustment for the unrecovered 2023 GA amount of \$745,923. The OEB was satisfied that collection of the \$745,923 would not give rise to an issue of intergenerational inequity given that supplemental amount will be recovered in the second year of the intended 2023 GA rate rider from the same group of customers.
 - d. In EB-2023-0023, the OEB fully approved GrandBridge Energy Inc.'s retroactive disposition request including the retroactive principal adjustment to the 2020 balance and the offsetting principal adjustment to the 2021 balance in the amount of \$885,645 for Account 1588. The error was a result of new rate codes that were established in Brantford Power's billing system to accommodate changes in Regulated Price Plan electricity pricing.
 - e. In EB-2022-0305, the OEB partially approved GrandBridge Energy Inc.'s retroactive adjustment for "...only those customers who received a credit in error in 2020/21 should bear a cost to correct that error in 2023." The OEB disallowed only \$44,000 of a proposed retroactive adjustment totalling \$451,594 in Account 1595.
 - f. In EB-2021-0038, the OEB fully approved Kitchener-Wilmot Hydro Inc.'s retroactive adjustment for unbilled network retail transmission service charges over multiple years in the amount of \$5,991,524. The OEB found that Kitchener-Wilmot's customers received a benefit from the unbilled IESO charges over the June 2015 to November 2020 period. The OEB accepted Kitchener-Wilmot's evidence that Kitchener-Wilmot's financial position would be negatively impacted if it is unable to recover amounts from its customers that it has to pay the IESO. The OEB found that not allowing Kitchener-Wilmot to recover the amount owed to the IESO could have a detrimental impact on the utility.
34. OHL submits that the OEB's prior cases dealing with retroactive adjustments to pass-through accounts, where customers are required to bear the cost of correcting an error, have focused on intergenerational equity considerations, rather than on a general prohibition against retroactivity, as asserted by OEB Staff. The case law also reveals that the OEB considers the financial impacts to utilities given that the 2019 OEB Letter acknowledges that the potential balances in pass-through accounts can be "very large".

35. OHL deferred its May 1, 2020 rates to November 1, 2020 as a result of COVID-19. OHL reviewed its records and confirms that 71% of the customers who received the \$201,219 refund beginning in November 2020 remain customers today.

2.5 Financial Consequences of OEB Submission

36. Similar to the OEB's findings in Decision and Rate Order EB-2021-0038,¹⁸ OHL submits that its current financial circumstances support approval of recovery of the full amount of the over-refund, totalling \$201,219.
37. OHL takes exception to OEB Staff's characterization that allowing the 2017 PA Correction "*would be solely to the benefit of Orangeville Hydro and not ratepayers.*"¹⁹ This is not correct. Rather, ratepayers in 2020 incorrectly received a refund and, as a result, paid less for electricity distribution service than was required to recover OHL's prudently incurred costs of providing that service. This outcome does not result in rates that are just and reasonable for the utility.²⁰ Additionally, OHL cash flows have been negatively impacted since the refund to customers in 2020, and without the correction, OHL will never see the repayment of these cash flows. The OEB is now suggesting that this amount is to be written off, which will have a negative impact to net income and ROE. Therefore, the one error impacts OHL punitively twice.
38. If the \$201,219 amount were written off as proposed by OEB Staff, OHL submits that this would have a material adverse financial impact and undermine financial viability. Specifically, the write-off would be expected to reduce OHL's achieved return on equity by approximately 1.5 percentage points. OHL's achieved return on equity in 2024 was 7.24% and is expected to be similar for 2026, meaning that denial would put OHL below the OEB's offramp for early rebasing.
39. A 20% reduction in net income could negatively affect OHL's debt service covenants, moving 2024 values from 1.46 to 1.33, bringing them significantly closer to the debt service covenant limit of 1.20.
40. If only 71% of the original \$201,219 was approved for recovery from customers (meaning the OEB only approves \$142,865.49 of the \$201,219), this would still be a 1.05% decrease in ROE, which, if using 2024 ROE calculations, would still put OHL just below the OEB's offramp for early rebasing.
41. Denial would also result in an approximate 20 percent reduction in net income. In addition, absent recovery from customers, the denial of disposition of the error would mean that OHL would not replenish its cash position from refunding customers in 2020, and therefore not be "kept whole". \$201,219 is a significant portion of OHL's overall cash balance, with it being 54% of the year end 2024 cash balance, and 20% of the year end 2025 cash balance. Without

¹⁸ Decision and Rate Order EB-2021-0038, December 16, 2021, at pg. 18.

¹⁹ OEB Staff Submission at pg. 6.

²⁰ *Ontario (Energy Board) v. Ontario Power Generation Inc.*, 2015 SCC 44, at para 20.

the recovery of these funds, OHL will be required to obtain additional financing earlier than otherwise necessary.

3. ACCOUNTS 1588 AND 1589 (2021 – 2025)

42. OEB Staff submits that further review and analysis is required to validate the accuracy of the 2021 to 2025 balances for Accounts 1588 and 1589 due to multiple principal adjustments made. OEB staff is of the view that the OEB should require OHL to conduct a comprehensive review of the balances in Accounts 1588 and 1589 for the period from 2021 to 2025, performed by an independent external party. The outcome of this review, along with a complete review report, would be filed as part of OHL’s next rate application (i.e., its 2027 IRM application) for the OEB’s consideration in determining the disposition of Accounts 1588 and 1589 balances (“**External Review**”).
43. OEB staff submits that 2022 balances for Accounts 1588 and 1589 were disposed of on a final basis in its 2024 cost of service application and there should be no disposition of the 2023 and 2024 balances of Accounts 1588 and 1589 in this application.

3.1 2023-2025 Balances

44. OHL agrees with OEB Staff that there should be no disposition of the 2023 and 2024 balances of Accounts 1588 and 1589 in this application. OHL also agrees with OEB Staff regarding the proposed External Review for balances in Accounts 1588 and 1589 for the period from 2023-2025.

3.2 2021-2022 Balances

45. OHL has difficulty reconciling OEB Staff’s position regarding the proposed disposition of balances in Accounts 1588 and 1589 for the 2021 to 2022 period. OEB Staff submits that the 2022 (and presumably the 2021) balances in these accounts were disposed of on a final basis as part of OHL’s 2024 cost of service application. At the same time, however, OEB Staff requests that the External Review examine the 2021 to 2022 period.
46. OHL does not agree with OEB Staff that 2021 or 2022 balances in Accounts 1588 and 1589 were disposed of on a final basis in OHL’s 2024 cost of service application (EB-2023-0045). As set out in the responses to interrogatory responses OEB Staff-7 and OEB Staff-20, OHL is of the view that balances in Accounts 1588 and 1589 for 2021 to 2022 were disposed of on an interim basis in EB-2023-0045.
47. When the OEB issued its decision in OHL’s 2025 IRM application (EB-2024-0048), it appended and approved a final version of the GA Analysis Workform titled “Final Dec_rate order_OHL 2025_GA_Analysis_Workform_20250320”. This workform shows that balances in Accounts 1588 and 1589 were only approved on a final basis up to 2020, as indicated in the yellow highlighted circle below:

Ontario Energy Board
GA Analysis Workform for 2025 Rate Applications

Version 1.0

Input cells
Drop down cells

Utility Name Orangeville Hydro Limited

Note 1
For Account 1589 and Account 1588, determine if a or b below applies and select the appropriate year related to the account balance in the drop-down box to the right.
a) If the account balances were last approved on a final basis, select the year of the year-end balances that were last approved on a final basis.
b) If the account balances were last approved on an interim basis, and
i) there are no changes to the previously approved interim balances, select the year of the year-end balances that were last approved for disposition on an interim basis. OR
ii) there are changes to the previously approved interim balances, select the year of the year-end balances that were last approved for disposition on a final basis. An explanation should be provided to explain the reason for the change in the previously approved interim balances.
(e.g. If the 2022 balances that were reviewed in the 2024 rate application were to be selected, select 2022)

Year Selected
2020

48. By contrast the GA Analysis Workform in OHL's 2024 cost of service application went back to 2016:

Ontario Energy Board
GA Analysis Workform for 2024 Rate Applications

Version 1.0

Input cells
Drop down cells

Utility Name Orangeville Hydro Limited

Note 1
For Account 1589 and Account 1588, determine if a or b below applies and select the appropriate year related to the account balance in the drop-down box to the right.
a) If the account balances were last approved on a final basis, select the year of the year-end balances that were last approved on a final basis.
b) If the account balances were last approved on an interim basis, and
i) there are no changes to the previously approved interim balances, select the year of the year-end balances that were last approved for disposition on an interim basis. OR
ii) there are changes to the previously approved interim balances, select the year of the year-end balances that were last approved for disposition on a final basis. An explanation should be provided to explain the reason for the change in the previously approved interim balances.
(e.g. If the 2021 balances that were reviewed in the 2023 rate application were to be selected, select 2021)

Year Selected
2016

49. Thus, it is clear from these workforms that rates were approved on an interim basis for the years of 2021 and 2022. OHL submits that an External Review of balances in Accounts 1588 and 1589 for the 2021 to 2022 period would only be appropriate if the OEB agrees with OHL that these accounts were disposed of on an interim basis in 2021 to 2022.

50. OHL expects that principal adjustments recorded in 2023 to 2025 relate to amounts originating in 2021 and 2022. Not adjusting these years would knowingly result in incorrect balances for

the 2021 to 2025 period. By way of example, the identification of corrections relating to the proper posting of CT2148 altered the allocation of principal adjustments between Accounts 1588 and 1589. These corrections were identified after the disposition of the 2021 and 2022 balances as part of OHL's 2024 cost of service application.

51. Finally, and as a practical matter, OHL is unclear as to what purpose the External Review proposed by OEB Staff would serve for the 2021 and 2022 balances in Accounts 1588 and 1589. OEB Staff's position opposing recovery of the 2017 PA Correction could equally be applied to deny any retroactive adjustments to the 2021 and 2022 balances. OEB Staff has not provided any reasoning distinguishing the 2017 PA Correction. From a ratemaking perspective, OHL does not see good rationale for undertaking an External Review that will not result in any future adjustments to Accounts 1588 and 1589.

All of which is respectfully submitted this 13th day of March, 2026.



Colm Boyle
Counsel to Orangeville Hydro Limited