

April 22, 2026

VIA EMAIL

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

Dear Mr. Murray:

**Re: EB-2025-0252 –Alectra Utilities Corporation 2027-2031 Custom Rate
Application for Electricity Rates and Charges – Reply Evidence Request**

We are counsel for the Applicant in the above-noted proceeding. Further to Alectra's letter on April 17th, we are writing to request leave to file reply evidence in response to the two lengthy reports filed by OEB staff's expert consultant, Pacific Economics Group ("PEG") on April 9th (entitled "*Statistical Cost Research for the Alectra Utilities CIR Plan*" and "*Issues in the Design of the New Alectra Utilities CIR Framework*" – the "PEG Reports").

The PEG Reports present various new research, analyses and points, and raise new issues regarding Alectra's proposed custom incentive rate-setting ("CIR") framework. This includes PEG's presentation of its own "alternative econometric models" for each of OM&A, capital and total cost benchmarking (relying on PEG's own data), as well as new Ontario industry productivity trend research in support of a proposal by PEG regarding this element of the X factor in Alectra's rate framework (in the first PEG report). The PEG Reports also raise several new issues and proposals regarding the CIR framework and related principles (in the second PEG report).

To respond to the new matters raised in the PEG Reports, Alectra is requesting leave, under rule 13.02 of the OEB's *Rules*, to file reply evidence, including a reply report from its expert Clearspring Energy Advisors ("Clearspring"). We briefly address below the factors for consideration of this request per rule 13.03.

The proposed reply evidence is relevant and material as it will be in direct response to the PEG Reports and will relate to the proposed CIR framework and the key parameters therein. These are central elements of Alectra's application, as they will be used to determine rates and revenues over the CIR term. The reply evidence will be focused, responding only to the new matters raised by PEG in respect of the cost benchmarking models and research, productivity research, and CIR framework considerations.

As applicant, Alectra's right to deliver proper reply evidence is a fundamental element of the duty of procedural fairness.¹ This is a necessary component of Alectra being able to present its case in support of its proposed rate framework. Further, this will: (i) provide proper notice to OEB staff, PEG and intervenors of the content of Clearspring's evidence in response to PEG's new evidence, so they can properly prepare for the hearing; (ii) meet the requirements in the *Rules* for expert evidence to be set out in a written report; and, (iii) provide relevant evidence so that the OEB can properly consider and adjudicate this aspect of the application on its merits, consistent with the OEB's *Rules*. It is also important to note that reply evidence, including from Clearspring in reply to PEG reports, has been filed by applicants in a number of prior rate applications.²

In terms of scheduling, Alectra proposes to deliver its reply evidence in a manner that will not impact the timelines for an oral hearing, which Alectra understands would not commence until some date after the technical conference in the OPG application (EB-2025-0297) which is scheduled to last until Wednesday, June 3, 2026.

With this timing in mind, Alectra proposes to deliver its reply evidence by May 15, 2026 at the latest. This proposed timeline allows adequate time for (i) the preparation of the reply evidence after the receipt of PEG's responses to interrogatories, which are to be delivered by April 24, and (ii) parties to ask interrogatories on the reply evidence (if necessary) in advance of the oral hearing, which Alectra is pleased to facilitate.

Importantly, we also note (consistent with the mention of this issue in Alectra's April 17 letter) that this request to file reply evidence is without prejudice to Alectra's position regarding the propriety of certain portions of the PEG Reports. Alectra reserves its right to subsequently address this issue if and as need be.

Alectra respectfully requests that the OEB permit the filing of the above proposed reply evidence in the circumstances noted above. If you have any questions or require any additional information regarding this request, please let us know.

Yours truly,



Arlen K. Sternberg

AKS:TP

¹ See for example, Robert W. Macaulay, James L.H. Sprague and Lorne Sossin, *Practice and Procedure Before Administrative Tribunals* (Toronto Carswell, 2004, loose-leaf updated 2021, release 9), WP: 303, Natural Justice; and the case law cited there.

² See by way of example: EB-2018-0165, EB-2019 0082, EB-2021-0110, and EB-2023-0195.