Ontario Energy Board | Commission de l'énergie de l'Ontario

BY EMAIL

July 7, 2026

Donna Kwan
Regulatory Finance Manager
Newmarket-Tay Power Distribution Ltd.
590 Steven Court
Newmarket, ON L3Y 6Z2
dkwan@ntpower.ca

Dear Donna Kwan:

Re: Application for 2028 Electricity Distribution Rates

This is in response to your May 22, 2026 letter (Letter) requesting a deferral to Newmarket-Tay Power Distribution Ltd.'s (Newmarket-Tay Power) rebasing of rates beyond the 2028 rate year, for one year.

The OEB has reviewed the Letter and, having considered the details provided regarding the reasons for the deferral request, Newmarket-Tay Power's recent reliability performance, financial performance, and the broader regulatory context, grants the request to defer its 2028 cost of service application. The OEB will place Newmarket-Tay Power on the list of distributors whose rates will be scheduled for rebasing for the 2029 rate year.

In making this determination, the OEB notes that Newmarket-Tay Power's circumstances do not fully align with the factors that would generally support a rebasing deferral under the OEB's current approach. In particular, Newmarket-Tay Power's recent performance, notably with respect to reliability outcomes and return on equity, would not, on their own, have normally supported the requested deferral. The OEB remains of the view that cost of service applications are an important regulatory mechanism through which distributors demonstrate the prudence of their costs, assess service quality performance, and establish rates that are just and reasonable. Absent the circumstances described below, the OEB would likely not have granted the requested deferral.

A material consideration in this decision is the OEB's awareness of the pending acquisition application involving Alectra Utilities Inc.[1] The OEB recognizes that the outcome of that proceeding could have implications for Newmarket-Tay Power's scheduled path for developing, refining, and seeking OEB approval under a fluid governance and ownership structure. This would not be an efficient or practical approach for a distributor when preparing a cost of service application. There could also be material changes to Newmarket-Tay Power's future operations and regulatory framework. In these specific circumstances, the OEB considers it appropriate to permit the requested deferral to avoid the potential for an inefficient adjudicative proceeding and to better align future rate-setting requirements with the outcomes of the acquisition application, should it be approved.

The OEB further considers that granting the deferral may allow for a more efficient consideration of future rate-setting matters within the context of any resulting organizational or operational changes arising from the acquisition application. This approval is therefore without prejudice to any determinations the OEB may make in the context of the pending acquisition application.

If Newmarket-Tay Power seeks a rate adjustment for 2028 rates, it will be expected to adhere to the process for Price Cap Incentive Rate-setting applications for the 2028 rate year.

The OEB's letter of December 1, 2021, outlined changes to the OEB's approach to deferrals. Resulting from the foregoing deferral, Newmarket-Tay Power must file a cost of service application for 2029 rates and will not be eligible for further deferral. If the rebasing application is not filed by the commencement of the 2029 rate year, the OEB will declare Newmarket-Tay Power's rates interim until such time Newmarket-Tay Power filed a rebasing application. Additionally, there is no availability of an Incremental Capital Module for 2028 rates and the OEB will not require Newmarket-Tay Power to file a Distribution System Plan during this period.

Yours truly,

Ann Zeng Digitally signed by Ann Zeng
Date: 2026.07.07 12:14:40 -04'00'

Ann Zeng
Deputy Registrar Adjudicative Projects
Acting under delegated authority of the Registrar

[1] Newmarket-Tay Power Distribution Letter – 2028 Cost of Service Rate Application Deferral Request, May 22, 2026