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Attention: Ritchie Murray, Registrar
By email: Registrar@oeb.ca

August 5, 2026

Subject: Request to Defer Cost of Service Application for 2028 Rates Re: OEB File No. EB-2025-0001

Bluewater Power Distribution Corporation ("BWP") writes in regard to the Ontario Energy Board's (the "OEB") letter of December 17, 2025, which set out the OEB's preliminary schedule of electricity distributors expected to file Cost of Service ("COS") rate applications for the 2027 to 2030 rate years. Under that schedule, Bluewater Power is scheduled to file its next COS application for rates effective May 1, 2028.

For the reasons set out below, BWP respectfully requests a one-year deferral of its COS rebasing obligation, such that the Company would instead file its next COS application in 2028 for rates effective May 1, 2029.

Background

BWP last rebased through its most recent COS application (EB-2022-0016), which produced rates effective May 1, 2023 and an OEB-approved deemed Return on Equity ("ROE") of 9.36%. Since that time, BWP has set rates under the OEB's Price Cap Incentive Rate-setting ("Price Cap IR") mechanism and has continued to deliver reliable, cost-effective distribution service.

The basis for this request, which takes into account BWPs financial and operational results from 2023 to present, is set out below.

Financial Performance

BWP's normalized ROE over the current term, as illustrated in the table below, demonstrates that current rates have not resulted in over-recovery from customers. BWP remains financially sound, with a stable rate base and no indication of financial concern that would necessitate earlier rebasing.

Year	Deemed	Achieved	Normalized
2025	9.36%	7.00%	7.62%*
2024	9.36%	4.89%	8.12%*
2023	9.36%	10.29%	10.29%

* Note: 2024 and 2025 normalized ROE reflect adjustments of approximately \$1.4M and \$280,000, respectively, for reassessments of prior-year taxes. The normalized results presented above exclude these one-time, non-recurring items. These adjustments reflect non-recurring tax reassessments rather than any operational change in BWP's cost or revenue profile.

BWP's achieved ROE averaged 7.4% over the three-year period, remaining within the OEB's +/- 300 basis point deadband.

Service Quality and Operational Performance

BWP has maintained strong results against the OEB's operational performance measures throughout the 2023-present period, as published in the OEB's Yearly Scorecard for BWP. BWP has attached its most recent Draft OEB Scorecard (Appendix "A"), which provides an overview of its recent performance and trending. A chart of the outage related statistic is presented in the table below.

Year	SAIDI	SAIFI
OEB Target	1.75	1.72
2025	1.40	1.17
2024	1.77	1.66
2023	1.03	0.95

In 2025, reliability improved materially, with SAIDI (1.40) and SAIFI (1.17) returning within BWP's OEB reliability targets. This followed elevated 2024 results driven by increased storm activity, vegetation contact and defective equipment failures.

BWP expects to sustain this level of efficiency and service quality through the proposed one-year deferral period, while continuing to provide safe, reliable and high-quality service.

Capital Expenditures and Distribution System Plan

BWP monitors implementation of its Distribution System Plan ("DSP") by comparing actual capital expenditures against the planned amounts in its five-year DSP forecast.

Year	Actual Capital Expenditures	Planned Capital Expenditures	Variance
2025	\$12,280,235	\$11,593,200	\$687,035
2024	\$11,871,794	\$11,710,100	\$161,694
2023	\$11,677,406	\$10,467,100	\$1,210,306
Total	\$35,829,435	\$33,770,400	\$2,059,035

Over the three-year period, BWP invested approximately \$35.8M in distribution assets, approximately \$2M (6%) above the \$33.8M expected in the DSP. As is typical in executing a

multi-year plan, the specific mix and timing of projects evolved in response to actual asset conditions and system needs, with adjustments to individual projects as needed. BWP does not anticipate any new capital projects during the deferral period which would require an Incremental Capital Module (“ICM”) request.

Regulatory Resourcing and Cost-Effectiveness

Recent unexpected staff vacancies within BWP’s regulatory related functions means that proceeding on the current schedule would require BWP to engage additional external consultants, incurring incremental application costs ultimately borne by ratepayers, without corresponding benefit. Deferring one year is more cost-effective for customers and allows BWP to restore internal capacity and prepare a higher-quality application.

Conclusion

In summary, Bluewater Power has demonstrated responsible financial management and sustained reliable service, and a one-year deferral would offer a clear customer benefit. For these reasons, BWP respectfully requests that the OEB grant a one-year deferral for the Cost of Service rebasing application for rates effective May 1, 2029.

BWP acknowledges that a one-year deferral extends its Price Cap IR term to a sixth year (2028), during which it will continue under the annual price cap adjustment and its approved stretch factor, consistent with the OEB's deferral practice.

Bluewater Power would be pleased to provide any further information the OEB may require and welcomes the opportunity to address any questions at the OEB’s convenience.

Sincerely,



Becky Gillis
Vice-President, Human Resources and Regulatory Affairs

Cc: Janice McMichael-Dennis, President and CEO, Bluewater Power
Mark Hutson, Vice President and Chief Financial Officer

