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

DECISION AND ORDER

EB-2024-0309

NEWMARKET-TAY POWER DISTRIBUTION LTD.

Application for Disposition and Consolidation of Deferral and Variance Accounts

BEFORE: Fred Cass
Presiding Commissioner

May 22, 2025

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

TABLE OF CONTENTS

1 OVERVIEW 1

2 CONTEXT AND PROCESS 2

3 DECISION OUTLINE 3

4 OVERALL FINDINGS 4

4.1 CONSOLIDATION OF GROUP 1 AND GROUP 2 DVAS 4

4.2 DISPOSITION OF CERTAIN GROUP 2 DVA BALANCES 7

5 IMPLEMENTATION 15

6 ORDER 17

1 OVERVIEW

This is the Ontario Energy Board's (OEB) Decision and Order on an application filed by Newmarket-Tay Power Distribution Ltd. (NT Power) seeking approval to dispose of certain Group 2 deferral and variance account (DVA) balances and to consolidate all Group 1 and Group 2 DVAs[1] for its two rate zones, the Midland rate zone (MRZ) and the Newmarket-Tay rate zone (NTRZ).

For the reasons described in this Decision and Order, the OEB finds that the proposed consolidation of DVAs and disposition of DVA balances is consistent with the principles of cost causality, regulatory efficiency, and customer impact mitigation. The Decision supports the financial viability of the sector by enabling NT Power to streamline its accounting processes in alignment with its Enterprise Resource Planning (ERP) implementation and to minimize bill impacts to customers.

[1] Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR) dated July 31, 2009, EB-2008-0046.

2 CONTEXT AND PROCESS

On February 11, 2025, NT Power filed an application with the OEB under section 78 of the OEB Act, 1998. The application seeks approval to dispose of certain Group 2 DVA balances and to consolidate all Group 1 and Group 2 DVAs for its two rate zones, the Midland rate zone (MRZ) and the Newmarket-Tay rate zone (NTRZ).

In September 2018, the former Newmarket-Tay Power Distribution Ltd. purchased and amalgamated with the former Midland Power Utility Corporation and continued operations as a single electricity distribution company (NT Power) pursuant to the OEB's decision approving the amalgamation.[2] NT Power was granted a 10-year deferred rebasing period and maintains two separate rate zones – MRZ and NTRZ - until its rates are rebased. In its decision approving the amalgamation, the OEB also approved NT Power's request to continue to track costs to each of the existing DVAs.

In order to minimize the frequency of rate changes to its customers, NT Power requested that rate riders from the proposed disposition of Group 2 DVA balances be effective over eight months from May 1, 2025, to December 31, 2025, to align with the expiry of certain existing rate riders on April 30, 2025, as well as NT Power's 2026 rate year effective January 1, 2026.

The application was accepted by the OEB as completed on February 25, 2025. The OEB issued a Combined Notice of Hearing and Procedural Order No. 1 (Combined Notice and PO) on February 26, 2025.

The Combined Notice and PO stated that cost-eligible intervenors in NT Power's last rate application[3] will be accepted as intervenors and eligible for costs in this proceeding if they notify the OEB of their intention to participate. The School Energy Coalition (SEC) and Vulnerable Energy Consumers Coalition (VECC) were cost-eligible intervenors in the preceding rate application and indicated their intention to participate in this proceeding in accordance with the Combined Notice and PO.

The Combined Notice and PO also established, among other things, the timetable for a written interrogatory discovery process.

OEB staff, VECC and SEC filed written submissions on April 4, 2025.

NT Power filed its reply submission on April 16, 2025.

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[2] EB-2017-0269, Decision and Order, August 23, 2018.
[3] EB-2023-0039.

3 DECISION OUTLINE

Each of the following issues is addressed in this Decision and Order, together with the OEB's findings.

- Consolidation of Group 1 and Group 2 DVAs
- Disposition of Certain Group 2 DVAs

Instructions for implementing NT Power's DVA rate riders are set out in the implementation section of this Decision and Order.

4 OVERALL FINDINGS

The OEB approves NT Power's request to consolidate its Group 1 and Group 2 deferral and variance accounts, effective January 1, 2025, and to dispose of certain Group 2 DVA balances established by rate zone as of December 31, 2024, with two modifications:

- Account 1508 - Sub-account OEB Cost Assessment, for which the OEB directs NT Power to recalculate the balance using IRM escalated base amounts (see detailed findings below)
- Account 1557 – Meter Cost Deferral Account (Metering Inside the Settlement Timeframe (MIST)), which will be disposed of using rate riders spread over three years, as detailed further below.

All other balances proposed for disposition are approved. The OEB also accepts the use of unaudited 2024 balances and finds that the materiality threshold does not prevent disposition in the specific circumstances of this case.

4.1 Consolidation of Group 1 and Group 2 DVAs

NT Power has applied for the consolidation of Group 1 and Group 2 DVAs for the two rate zones. NT Power stated that its decision to seek consolidation of its DVAs was driven by several factors, including the opportunity to streamline accounting processes and gain efficiencies during its new ERP implementation. NT Power stated that consolidating Group 1 accounts will result in NTRZ bills increasing by $0.25/month for residential customers and MRZ bills decreasing by $0.87/month for residential customers.[4] NT Power is expected to file a cost-of-service application for 2028, at which time it will harmonize rates across its two rate zones. As a result, any remaining differences in rates between the two zones will be addressed during that rebasing process.

Group 1 Accounts

OEB staff submitted that NT Power's proposal to consolidate its Group 1 accounts, effective January 1, 2025, is appropriate. The MAADs Handbook [5] explicitly encourages utilities to consolidate Group 1 accounts post-merger to reduce administrative burdens and reflect operational integration. VECC supported the proposed consolidation of Group 1 and

[4] IRR Staff-5.
[5] Handbook to Electricity Distributor and Transmitter Consolidations - Rate-making Considerations and Filing Requirements for Consolidation Applications, Revised July 11, 2024 Originally issued June 18, 2024.

Group 2 accounts, citing alignment with the MAADs Handbook.[6] SEC did not object to NT Power's consolidation request.

Group 2 Accounts

NT Power proposed to consolidate all Group 2 DVAs effective January 1, 2025, following disposition by rate zone prior to the proposed consolidation of these accounts (see Table 1 in Section 4.2 of this Decision and Order). NT Power noted that certain Group 2 accounts have already been tracked on a consolidated basis from inception, including Account 1592 – sub account CCA Changes.

OEB staff supported the consolidation of Group 2 accounts after disposition, with one exception: Account 1557 – Meter Cost Deferral Account (MIST), which OEB staff stated should be tracked by rate zone until the next rebasing. OEB staff also expressed concerns about consolidating Account 1592 – sub account CCA Account.

Again, VECC supported the proposed consolidation of Group 1 and Group 2 accounts, citing alignment with the MAADs Handbook.[7] SEC did not object to NT Power's consolidation request.

Account 1592 – sub account CCA Changes

OEB staff stated that NT Power had not sufficiently demonstrated that customers would not be adversely impacted nor that cost causality would be preserved. OEB staff also submitted that NT Power should provide further justification in support of the view that customers would not be negatively affected by the proposal to continue tracking on a consolidated basis. OEB staff noted that the consolidated balance in the account can be allocated to rate zones using certain methodologies (for example, the approved rate bases of each rate zone).

Neither SEC nor VECC commented on the consolidation of Account 1592 – sub account CCA Changes.

In its reply submission, NT Power stated that the balance in Account 1592 has arisen post-merger and should be consolidated accordingly. It referred to the OEB's decision in the North Bay-Espanola MAADs application, where Account 1592 was allowed to be consolidated because taxes were filed as a single entity[8]. NT Power added that it files a

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[6] VECC Submission, p.4.
[7] VECC Submission, p.4.
[8] Reply Submission, p.6 referring to EB-2021-0312, North Bay / Espanola, Decision and Order, p.23, March 17, 2022.

single corporate tax return and that disposing of the account on a consolidated basis would have a negligible impact on customer bills. NT Power provided the information requested by OEB staff and noted that the consolidation resulted in very small differences in customer bills.[9]

Findings

The OEB finds that NT Power's proposal to consolidate its Group 1 accounts, effective January 1, 2025, is appropriate.

NT Power's proposal to consolidate these accounts is aligned with the provisions of the OEB's MAADs Handbook, which encourages the post-merger consolidation of Group 1 accounts as soon as is practical.[10] Further, based on NT Power's evidence regarding bill impacts[11], the OEB finds the impacts of consolidating the Group 1 accounts to be reasonable and acceptable.

As well, the OEB accepts NT Power's proposal to consolidate Group 2 DVAs. As for the proposal to continue tracking on a consolidated basis the four Group 2 accounts that NT Power has treated on a consolidated basis from inception, the OEB notes that no concerns were raised about the continued tracking of these accounts on a consolidated basis, except in respect of Account 1592, Sub-account CCA Changes.

The OEB finds that, in its reply argument, NT Power has answered the concerns expressed by OEB staff about the proposal to continue tracking Account 1592, Sub-account CCA Changes on a consolidated basis. More specifically, the OEB accepts the following responses by NT Power to OEB staff's concerns:

- NT Power relied on previous OEB decisions, including the North Bay-Espanola MAADs decision.[12] In the North Bay-Espanola decision, the OEB decided that Group 2 accounts would continue to be tracked separately, except for Account 1592, sub-account CCA Changes, which would be combined since taxes would be paid by post-merger North Bay Hydro as a single entity.[13] NT Power noted that its Account 1592 balance is calculated based on tax return capital additions and that

[9] Reply Submission, p.7, disposing Account 1592 on a rate zone basis versus a consolidated basis results in differences lower than 0.03% of the bill for NTRZ and lower than 0.11% for MRZ for all rate classes.
[10] MAADs Handbook, section 5.9, p.31.
[11] IRR Staff–5, Tables 1 and 2.
[12] EB-2021-0312 Decision and Order, March 17, 2022.
[13] *Ibid*, p.23.

NT Power has been operating as a consolidated entity, filing one consolidated tax return, since consolidation.[14]

- NT Power also summarized a number of benefits of the consolidation of Account 1592, Sub-account CCA Changes and provided four tables showing that only very small differences in bills would result from disposing of the account on a rate zone basis rather than a consolidated basis.[15]

For these reasons, the OEB finds that NT Power has answered the concerns expressed in OEB staff's submission and it accepts NT Power's proposal regarding the Group 2 accounts that have been treated on a consolidated basis since inception.

4.2 Disposition of Certain Group 2 DVA Balances

NT Power proposes the disposition of the balances of the following Group 2 DVAs in each rate zone prior to the consolidation of these accounts:

Table 1 – Proposed Disposition for Group 2 Accounts

Account	Total Claim $ NTRZ	Total Claim $ MRZ
1508 – subaccount IFRS Transition Costs	30,711	71,859
1508 – subaccount OEB Cost Assessments	107,921	26,135
1518 – RCVA Retail	161,852	(43,720)
1548 – RCVA STR	65,007	8,037

[14] Reply argument, p.7.
[15] Reply argument, pp.7 to 9.

1557 – Meter Cost Deferral Account (MIST)	624,733	50,288
1592 – subaccount HST/OVAT ITCs	-	(17,251)
Total per Rate Zone	**990,224**	**95,349**

Materiality

OEB staff, supported by SEC and VECC, submitted that the balances of several Group 2 accounts do not meet the materiality threshold outlined in Chapter 2 of the OEB's *Filing Requirements*[16] and should therefore be written off. The materiality thresholds for NTRZ and MRZ rate zones are $85,000 and $50,000, respectively.[17]

NT Power disagreed with OEB staff and stated that materiality thresholds apply to the establishment – not the disposition – of DVAs. NT Power referred to the Hydro One[18] and EPCOR Electricity Distribution Ontario Inc. (EEDO)[19] decisions where balances below threshold were nevertheless approved for disposition. NT Power further argued that the aggregate impact of writing off these balances would be significant and would result in an immediate asset impairment in its financial statements.

For the remaining balances meeting the materiality threshold, except for Account 1557 – Meter Cost Deferral Account[20] discussed below, OEB staff submitted that NT Power has sufficiently demonstrated that the costs recorded were incremental to those in rates and therefore does not take issue with the requested disposition for these accounts.

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[16] Chapter 2 Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications, p.7
[17] IRR Staff-3, NT Power calculated the materiality threshold for NTRZ as $85k and MRZ as $50k, as derived from the former utilities' last approved revenue requirements.
[18] EB-2022-0040 HONI Decision and Order, December 8, 2022, p.18
[19] EPCOR Electricity Distribution Ontario Inc, EB-2022-0028 Decision and Order, June 15, 2023, p.32.
[20] The OEB approved a deferral account to allow distributors to capture material prudently incurred incremental costs associated with amendments to the Distribution System Code dated May 21, 2014, which required distributors to install interval meters, also referred to as MIST (Metering Inside the Settlement Timeframe) meters: Amendments to the Distribution System Code, May 2014.

Findings

General

SEC submitted that, while NT Power has requested disposition of a material debit amount, NT Power is also carrying a significant credit balance in other Group 2 DVAs that were established post-consolidation and could have been used to more than offset the requested recovery.

The OEB understands SEC's submission about disposition of a material debit amount while certain credit balances are carried forward, but the OEB finds that the concern raised by SEC is mitigated by the outcome of the proposed implementation of the disposition of Group 2 account balances.

As noted in the OEB staff submission, when a comparison is made between customer bills that include rate riders expiring on April 30, 2025 and bills that include the proposed riders commencing on May 1st, the impacts for NTRZ and MRZ residential customers are a 1.9% and 0.9% decrease, respectively.[21] In fact, based on this comparison, the bill impacts for all rate classes in both rate zones will be either neutral or, in nearly all instances, a decrease.[22]

Materiality

OEB staff's submissions regarding materiality thresholds referred to Chapter 2 of the OEB's *Filing Requirements*. In its reply argument, NT Power said that the provisions of the *Filing Requirements* relied on by OEB staff "only" speak to materiality for the purposes of establishment of a deferral or variance account.[23] The OEB does not accept this submission by NT Power.

It is correct that materiality is one of the OEB's considerations when a request is made to establish a new deferral or variance account. This can be seen from section 2.9.2 of the *Filing Requirements*, which provides that, in the event a distributor seeks an accounting order to establish a new deferral or variance account, the distributor must file evidence demonstrating how certain eligibility criteria, including materiality, have been met.
It is not correct, however, that the *Filing Requirements* only speak to materiality for the purposes of establishment of a deferral or variance account. Section 2.0.8 of the *Filing*

[21] OEB staff submission, p.2; IRR Staff–7, Table 5.
[22] IRR Staff–7, Table 5.
[23] Reply submission, p.1

Requirements, which is the provision relied on in the OEB staff submission, says that the materiality threshold is applied against "the account balance" for each Group 2 account, unless there is other specific guidance.

NT Power cited previous decisions in which the OEB did not apply a materiality requirement when considering the disposition of deferral or variance accounts.[24] The OEB finds that an exception from the application of a materiality requirement is also appropriate in this case.

The original impetus for this application was a proposal by NT Power to realize significant operational efficiencies by consolidating DVAs for its post-merger rate zones effective January 1, 2025. In this regard, the OEB notes that the provisions of the MAADs Handbook indicate an expectation that the merger or consolidation of electricity distributors will enhance the ability of distributors to meet the challenges of an evolving electricity industry through, among other things, opportunities to better realize operational efficiencies.[25]

NT Power's evidence was that the timing of the proposed consolidation of DVAs generally aligns with implementation of a new Enterprise Resource Planning system and, further, that the associated cost savings can reasonably be expected to translate to a more efficient and effective organization to serve customers.[26]

The evidence also indicated that, having originally filed an application for approval to consolidate accounts, NT Power revised and refiled the application to include a request for disposition of balances of certain Group 2 accounts on a rate zone basis, recognizing that disposition on a rate zone basis would enable account balances to be disposed of precisely to the groups of customers that contributed to those balances.[27]

Upon following this path, which started from an effort to realize efficiencies through the consolidation of accounts, NT Power has been met with an argument that the balances in certain individual accounts do not meet the rate zone materiality thresholds and, accordingly, that approval for disposition of these balances should not be granted. As pointed out by NT Power, however, while the balances in some individual accounts are below the materiality threshold, the aggregate of these account balances is an amount that

[24] Reply submission, pp.1-2.
[25] MAADs Handbook, pp.3-4.
[26] Application, pp.9-10.
[27] Application, p.2.

is significant to NT Power. Should approval for the disposition of these account balances be denied, NT Power would be required to write off the aggregate amount in a single year as an asset impairment.

In these particular circumstances, the OEB has concluded that an exception from the application of materiality thresholds is appropriate.

Unaudited Balances

While the OEB typically relies on audited balances when it orders the disposition of DVA balances, it has allowed exceptions from this general practice in appropriate cases. In this case, the evidence of NT Power was that its 2024 financial statement audit is in the final stages and that no changes to any of the deferral and variance accounts are expected.[28] Further, it is expected that regulatory efficiency will be gained by disposition of unaudited balances and both OEB staff[29] and VECC[30] indicated that they had no concerns with the disposition of unaudited December 31, 2024 balances.

The OEB approves NT Power's proposal to dispose of the unaudited December 31, 2024, balances in the legacy Group 2 accounts.

Account 1557 – Meter Cost Deferral Account

NT Power requested approval to dispose of Account 1557 balances from 2020 through 2027. It argued that all capital costs were incurred in 2020 and 2021, and the remaining entries reflect forecast revenue requirements, which are fixed. NT Power stated that disposing of the full balance now would minimize intergenerational inequity and reduce administrative burden by avoiding further tracking across rate zones.[31]

OEB staff submitted that NT Power's disposition of Account 1557 should be limited to the annual revenue requirement for 2020 to 2024, arguing there is no precedent for approving recovery of future costs prior to the associated rate year, and that continued rate zone tracking of the account through rebasing would not impair regulatory efficiency.

SEC and VECC also opposed the inclusion of 2025-2027 amounts for disposition, maintaining that customers should not prepay future costs and that the account should remain open and disposed of in the 2028 rebasing application.

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[28] IRR 6 - Staff–6.
[29] Staff submission, p.5.
[30] VECC submission, p.4.
[31] IRR Staff-3.

In reply, NT Power maintained that the 2025-2027 forecast balances are fixed and based on past capital costs. It added that its proposed alternative – using annual rate riders effective 2025, 2026 and 2027 – would address intergenerational inequity while preserving regulatory efficiency.[32]

Findings

The OEB approves the disposition of Account 1557 balances in accordance with the proposal made in NT Power's reply argument to recover account balances by way of 2025, 2026 and 2027 rate riders for each of the NTRZ and the MRZ.

As alluded to above, the submissions from OEB staff, SEC and VECC raised concerns about the disposition at this time of 2025 to 2027 balances in Account 1557. NT Power responded to these submissions in its reply argument and it also made an alternative proposal.

NT Power's alternative proposal was that 2020 to 2025 amounts for Account 1557 be recovered for each rate zone through 2025 rate riders, that 2026 amounts for each rate zone be recovered through 2026 rate riders and that 2027 amounts be recovered through 2027 riders.

The OEB agrees with NT Power that this approach alleviates concerns raised by OEB staff, SEC and VECC regarding the disposition of 2025 to 2027 balances in Account 1557. As pointed out by NT Power, this approach aligns rate zone specific cost recovery to the customers that should bear the costs and it allows NT Power to avoid further rate zone tracking of the account. In doing so, it deals effectively with intergenerational inequity considerations and it removes an impediment to NT Power's full achievement of the operational and regulatory efficiencies it is seeking to realize.

Account 1508 - Sub-account OEB Cost Assessment

VECC and SEC objected to the disposition of this account, stating that the annual balances fall below the materiality threshold and that the base cost assessment embedded in rates should be escalated annually in line with IRM increases.

[32] IRR Staff-3, part 6, Table 3.

NT Power argued that no OEB guidance exists requiring annual escalations in this sub-account and referenced the EEDO decision[33] where such escalation was not required. NT Power also drew a parallel to Account 1522, which, according to OEB guidance, should not be escalated except in certain cases.

Findings

The OEB accepts the arguments of SEC and VECC that, in the circumstances of this case, the balance in Account 1508 - Sub-account OEB Cost Assessment should be recalculated with adjustments to the base amount for OEB cost assessments embedded in NT Power's rates to reflect the annual rate increases that have occurred under NT Power's IRM plan.

NT Power submitted that the OEB has not set any requirement or expectation that, for variance accounts like the OEB Cost Assessment Sub-account, "the default approach" is to escalate amounts embedded in rates by annual rate adjustments. The issue under consideration by the OEB in this case, however, is not whether escalation of amounts embedded in rates is the default approach, but whether such escalation is appropriate in the circumstances now before the OEB.

NT Power relied on the EEDO case where EEDO raised a number of points in response to an argument about the calculation of the balance of the Cost Assessment Sub-account. In doing so, EEDO made reference to its own, specific circumstances.[34] The OEB's decision in the EEDO case did not include a general finding about the appropriate calculation of Cost Assessment Sub-account balances; rather, the OEB said it was satisfied that EEDO had tracked variances appropriately "in the context of this case".[35]

NT Power also relied on guidance provided by the OEB for Account 1522, Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential. NT Power noted that, insofar as Account 1522 is concerned, the OEB's guidance[36] is that the approved accrual amount embedded in rates "is not to change or escalate" during the term of a rate-making plan, except in certain instances.[37]

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[33] EB-2022-0028.
[34] EB-2022-0028 Decision and Order, p. 32.
[35] *Ibid*.
[36] Report of the OEB: Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs EB-2015-0040, p.20, September 14, 2017.
[37] Reply submission, p. 4.

The Account 1522 example relied on by NT Power confirms that, for the purposes of that account, the OEB has provided general guidance regarding the escalation of amounts embedded in rates. But NT Power's reference to this example does not advance its argument about the Cost Assessment Sub-account. Indeed, NT Power's reliance on the explicit wording used by the OEB to provide guidance in respect of Account 1522 could be seen to highlight the absence of any reference by NT Power to similar guidance, or explicit wording, in respect of the Cost Assessment Sub-account.

In this case, NT Power expects to achieve "significant" operational efficiencies through the implementation of its proposal to consolidate DVAs. In order to consolidate the accounts and realize the benefit of significant operational efficiencies, NT Power will dispose of a material debit amount from Group 2 accounts established by rate zone to customers in its two rate zones. For the reasons set out in the section above discussing materiality, the OEB has accepted that the debit amount to be recovered from NT Power's customers through rate riders will include balances of Group 2 Accounts that, on an individual basis, are not material.

In these circumstances, the OEB finds that it is neither fair nor reasonable to calculate the amount to be recovered from NT Power's customers in respect of the OEB Cost Assessment Sub-account in a way that reflects only the base amount for OEB cost assessments embedded in NT Power's rates, without regard for annual rate increases that have occurred under NT Power's IRM plan. The OEB finds that the balance of Account 1508 - Sub-account OEB Cost Assessment, including applicable interest, should be re-calculated with adjustments to the base amount for OEB cost assessments embedded in NT Power's rates to reflect the annual rate increases that have occurred under NT Power's IRM plan.

For clarity, the OEB's decision to allow disposition of account balances that on an individual basis are not material applies to Account 1508 - Sub-account OEB Cost Assessment.

5 IMPLEMENTATION

NT Power proposed rate riders for the disposition of Group 2 accounts, using the most recent billing determinants and an eight-month disposition period from May 1, 2025, to December 31, 2025.

The bill impacts to NTRZ and MRZ residential customers (including the cessation of rate riders expiring on April 30, 2025) are a 1.9% and 0.9% decrease, respectively.

Findings

The OEB approves NT Power's proposed disposition of Group 2 DVA balances using rate riders effective May 1, 2025, to December 31, 2025, calculated based on the most recent Board-approved billing determinants.

For Account 1557 – Meter Cost Deferral Account (MIST), the OEB approves the implementation of three separate annual rate riders, effective May 1, 2025, January 1, 2026, and January 1, 2027, as proposed in NT Power's reply submission. These riders shall be applied to customers in the NTRZ and MRZ on a rate zone-specific basis.

The Group 2 accounts on a rate zone basis approved for disposition shall be discontinued after disposition. Account 1557 should be closed after disposition of the last of the three separate annual rate riders.

The consolidation of Group 1 and Group 2 accounts is approved effective January 1, 2025, as noted in the detailed sections above.

Table 2 in NT Power's response to Staff interrogatory IR 7 - Staff – 7 presents the bill impacts of the proposed disposition of Group 2 account balances without the effect of the removal of rate riders expiring April 30, 2025.[38] The OEB finds these impacts to be reasonable and, further, the OEB notes that, as discussed above, the impacts are mitigated when bills that include the rate riders expiring on April 30, 2025 are compared to bills that include the proposed riders commencing on May 1st.

The OEB notes as well that the bill impacts associated with disposition of the Group 2 accounts established by rate zone were addressed in the submissions of OEB staff and

[38] NT Power said that the impacts set out in Table 2 are only illustrative and conceptual in nature, as the actual bill impacts experienced by customers on May 1, 2025 will include the effects of any cessation of riders that lapse on April 30, 2025.

VECC and no concerns were raised with bill impacts: both OEB staff and VECC referred to the impacts as “minimal”.[39]

NT Power shall update its accounting records to reflect the closure or continuation of the accounts in accordance with this Decision and Order.

[39] Staff submission, p.5; VECC submission, p.4.

6 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. NT Power's request to consolidate its Group 1 and Group 2 deferral and variance accounts, effective January 1, 2025, is approved, subject to the exceptions noted in this Decision and Order.

2. NT Power shall dispose of the unaudited December 31, 2024 balances in the approved Group 2 DVAs established by rate zone, in accordance with the findings in this Decision, using rate riders effective May 1, 2025 to December 31, 2025.

3. The disposition of Account 1557 – Meter Cost Deferral Account shall be implemented through rate riders as follows:
   - 2020 to 2025 balances to be recovered through rate riders effective May 1, 2025
   - 2026 balances to be recovered through rate riders effective January 1, 2026
   - 2027 balances to be recovered through rate riders effective January 1, 2027

4. NT Power shall recalculate the balances in Account 1508 - Sub-account OEB Cost Assessment to reflect adjustments to the base amount embedded in rates for annual IRM adjustments, as set out in this Decision and Order.

5. NT Power shall file a draft rate order consistent with this Decision and Order. This draft order must be filed by **May 29, 2025**.

6. OEB staff and intervenors may file comments on the draft rate order by **June 5, 2025** and copy NT Power and intervenors.

7. NT Power may file a reply to OEB staff and intervenor comments on the draft rate order by **June 12, 2025** and copy intervenors.

8. Intervenors shall file with the OEB, and forward to NT Power, their cost claims by **June 6, 2025**.

9. NT Power shall file with the OEB, and forward to intervenors, any objections to the claimed costs by **June 13, 2025**.

10. Intervenors shall file with the OEB, and forward to NT Power, any responses to any objections for cost claims by **June 20, 2025.**

11. NT Power shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

Please quote file number, **EB-2024-0309**, for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the OEB's online filing portal.

- Filings should clearly state the sender's name, postal address, telephone number, and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the Regulatory Electronic Submission System (RESS) Document Guidelines found at the File documents online page on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet set up an account, or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the File documents online page of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the Practice Direction on Cost Awards.

All communications should be directed to the attention of the Registrar at the address below and be received by the end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Michael Bell at michael.bell@oeb.ca and OEB Counsel, Ljuba Djurdjevic at ljuba.djurdjevic@oeb.ca.

Email: registrar@oeb.ca
Tel: 1-877-632-2727 (Toll free)

DATED at Toronto May 22, 2025

ONTARIO ENERGY BOARD

Ritchie Murray
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Ritchie Murray
Acting Registrar