

Decision on Centre Wellington Hydro's Major Rates Application

On November 7, 2024, the Ontario Energy Board (OEB) issued its [Decision and Order](#) on Centre Wellington Hydro Limited's (Centre Wellington Hydro) application to change the rates it charges for electricity distribution effective January 1, 2025.

The OEB approved a settlement proposal agreed upon by Centre Wellington Hydro and intervenors in the hearing. The OEB concluded that implementation of the settlement proposal will result in reasonable outcomes for both Centre Wellington Hydro and its customers.

As a result of this Decision and Order, the estimated total bill impact for a typical residential customer with a monthly consumption of 750 kWh will be an increase of \$0.04 or 0.03% per month before taxes and the Ontario Electricity Rebate in 2025.

Key elements of the OEB-approved settlement proposal include the following reductions relative to the amounts requested in Centre Wellington Hydro's application:

- A \$157k reduction (11.9%) in the 2025 capital expenditures budget, resulting in a revised budget of \$1.2M
- A \$90k reduction (2.9%) in the 2025 Operations, Maintenance & Administration budget, resulting in a revised budget of \$3.0M
- A \$107k reduction (2.2%) to the 2025 base revenue requirement, resulting in a revised revenue requirement of \$4.7M

The OEB found the agreement to merge the current GS 50-2,999kW and GS 3,000-4,999kW rate classes into a single rate class appropriate based on the evidence showing that these two rate classes are very similar in terms of cost allocation and service requirements.

The approved settlement proposal also addresses a funding request known as an Advanced Capital Module (ACM) to build a new distribution station. Where the OEB approves ACM funding, the rates to recover the cost of the project will only apply once the project has come into service. When Centre Wellington Hydro seeks a rate rider to fund the new station, the capital budget for the project will be capped at the current forecast of \$3.355M. Any incremental capital costs above the cap are subject to certain conditions, including a requirement to demonstrate the prudence of the cost incurred compared to alternative solutions. The OEB found that this is a prudent approach that will allow Centre Wellington to add necessary infrastructure while protecting ratepayers.

INTERVENORS

Intervenors are individuals or groups who have permission to participate in a hearing before the OEB because they have a substantial interest in the proceeding. The School Energy Coalition and the Vulnerable Energy Consumers Coalition were intervenors in this proceeding.

ABOUT THE OEB

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and supports the collective advancement of the people of Ontario. Its goal is to deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development. You can learn more about the OEB at [oeb.ca](https://www.oeb.ca).

Independence in the hearing and determination of matters is a key element of the OEB's mandate, established through legislative structures, the [Memorandum of Understanding](#) between the Minister of Energy and the Chair of the OEB, and by-laws that set out clear lines of communication between government and the OEB. Commissioner panels hear and determine matters independently, with legislative protections and other instruments to ensure decisions are free from interference by the CEO, the Board of Directors and government. This also includes the Chief Commissioner when not assigned to the specific case.

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Ce document est aussi disponible en français.

This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for decision; those may be found in the [Decision and Order](#) issued November 7, 2024, which is the official OEB document.