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BY E-MAIL AND WEB POSTING

December 20, 2012

To: All Licensed Electricity Distributors
All Licensed Electricity Transmitters
All Licensed Retailers
All Licensed Gas Marketers
All Other Interested Parties

**Re: Amendments to the Reporting and Record Keeping Requirements for
Licensed Electricity Distributors, Electricity Transmitters, Retailers and Gas
Marketers
Board File No.: EB-2012-0062**

Licensed entities in the electricity sector are required to report or maintain records of the information described in the Board's Electricity Reporting and Record Keeping Requirements ("Electricity RRR") under the terms of their licences. The same is true of licensed gas marketers in respect of the information described in the Board's Natural Gas Reporting and Record Keeping Requirements: Gas Marketer Licence Requirements ("Marketer RRR").

Today the Board is announcing a number of amendments to the Electricity RRR in respect of information to be reported or kept by electricity distributors, transmitters and retailers. A number of these amendments will result in greater efficiency for distributors and the Board, and are responsive to the recommendation in the Auditor General of Ontario's 2011 Annual Report that the Board "work with utilities to streamline reporting requirements, including the timing and frequency of reporting". Amendments have also been made to the Marketer RRR for consistency with changes that are being made to the retailer requirements under the Electricity RRR.

A description of the amendments is set out below. For information purposes only, all of the amendments are shown on the comparison versions of the Electricity RRR and the Marketer RRR that are attached to this letter as Attachment A and Attachment B, respectively. The Electricity RRR and the Marketer RRR as amended are attached to this letter as Attachment C and Attachment D, respectively. As noted below, with certain exceptions the amendments to the Electricity RRR and the Marketer RRR come into effect on January 1, 2013 and apply to all filings due on or after that date.

1. Introduction

On March 7, 2012, the Board issued a letter announcing the launch of a review of the Electricity RRR. As contemplated in the Board's letter, Board staff engaged in small group discussions with stakeholders on matters such as the frequency of reporting, areas of potential redundancy, and any provision needing further clarification in order that consistent information is filed by all licensed distributors. Information pertaining to the small group discussions is available on the Board's website at [http://www.ontarioenergyboard.ca/OEB/Industry/Regulatory+Proceedings/Policy+Initiatives+and+Consultations/Review+of+Electricity+RRR+\(EB-2012-0062\)](http://www.ontarioenergyboard.ca/OEB/Industry/Regulatory+Proceedings/Policy+Initiatives+and+Consultations/Review+of+Electricity+RRR+(EB-2012-0062)).

A number of amendments to the Electricity RRR being made today in respect of electricity distributors were informed by the small group discussions. Other aspects of those discussions may inform future amendments. The elimination of a number of quarterly and other reporting requirements will result in a significant reduction to the reporting input required from distributors, while still providing the Board with the information necessary for it to fulfill its mandate effectively. Board staff will be updating the RRR Filing Guide in due course to provide further reference materials and guidance to promote consistency in reporting under the filing requirements.

The Board anticipates that implementation of the Board's Renewed Regulatory Framework for Electricity may trigger the need for further revisions to the Electricity RRR. These will be developed at the appropriate time.

2. Amendments Affecting Electricity Distributors

Filings on Customer Numbers and Energy Sales/Consumption: Sections 2.1.2, 2.1.3 and 2.1.5.4

Quarterly filings on customer numbers (section 2.1.2) and energy sales (section 2.1.3) represent a significant percentage of the data points currently reported to the Board. The Board is now reducing the number of data points reported, as well as the frequency with which certain data is required to be reported. It is expected that these changes will, on the average, halve the yearly input required by distributors for reporting on customer numbers and customer consumption.

The Board will continue to require quarterly reporting of customer numbers (section 2.1.2), as this information is not available from other sources and is important in supporting the Board's monitoring of market activity. However, the extent or complexity

of the quarterly filing on customer numbers has been reduced in a number of ways. First, for three of the quarterly filings in each year, reporting on retailer customers will be aggregate (for all retailers) rather than by individual retailer. Second, given that customer numbers are reported quarterly under section 2.1.2, the Board no longer considers it necessary to require annual reporting of customer numbers by rate class under section 2.1.5.4, and that requirement has been deleted.

Third, the Board will generally no longer require that customer numbers be broken down by Regulated Price Plan ("RPP") customers that are on two-tiered pricing and those that are on time-of-use ("TOU") pricing. By way of exception, this breakdown will continue to be required from distributors who have yet to substantially complete the implementation of TOU pricing for customers on the RPP. For this purpose, substantial completion is considered achieved when 98% of RPP customers are being billed based on TOU prices.

In addition, the requirement to report quarterly on energy sales (section 2.1.3) is being eliminated. Annual consumption data will, however, continue to be required under section 2.1.5.4 and will be required to be broken down in a manner similar to the requirements of section 2.1.2. Although the electricity charge on customer bills is currently calculated on a loss-adjusted basis, this data is required to be provided on a non-loss-adjusted basis so that the total reflects the kilowatt-hours or kilowatts actually delivered.

Currently, the Electricity RRR contain an exemption from reporting under sections 2.1.2 and 2.1.3 for distributors that are not connected to the IESO-controlled grid and are exempt from section 26(1) of the Electricity Act, 1998. The manner of expressing this exemption has been simplified, and the exemption has been extended to reporting under section 2.1.5.4.

Reporting of Return: Section 2.1.5.6

In its October 18, 2012 *Report of the Board: A Renewed Regulatory Framework for Electricity*, the Board established that each of the new rate-setting methods will include a trigger mechanism with an annual return on equity ("ROE") dead band of +/-300 basis points, and that the Board will require reporting to monitor utility performance in a manner which allows corrective action to be taken if required. As a result, section 2.1.5.6 is being amended to require annual ROE reporting by all distributors.

Reporting on Customer Service Rules and Low Income Energy Assistance Program ("LEAP") Activity: Sections 2.1.8 and 2.1.16

These amendments incorporate into the Electricity RRR certain reporting requirements that were established by the Board earlier this year.

Section 2.1.8 now includes the reporting requirements related to the Board's revised customer service rules that were announced in the Board's letter of March 19, 2012. For greater clarity, however, the Board has modified item (d) to refer to write-offs rather than bad debt expense. Additional minor revisions have been made, also for greater clarity, and the necessary supporting definitions have been included in section 2.1.8 of the Electricity RRR rather than in section 1.2 as initially contemplated. This reporting requirement does not apply on a mandatory basis until April 30, 2014 (covering 2013). Distributors are, however, encouraged to report this information for 2012.

With respect to reporting on LEAP, section 2.1.16 has been revised to include the requirement to report on unused emergency financial assistance funds carried forward from previous years that was announced in the Board's letter dated August 30, 2012.

Compliance with the Affiliate Relationships Code: Section 2.2

Monitoring compliance with the Affiliate Relationships Code for Electricity Distributors and Transmitters ("ARC") is an important part of the Board's regulatory oversight. To simplify reporting in this area, however, the Board has replaced the three separate self-certifications with one self-certification, to be signed by the chief executive officer and that covers all aspects of ARC compliance. The corresponding record-keeping requirement in section 2.3.7 has been amended accordingly. The Board takes this opportunity to remind distributors of the importance of keeping all records necessary to substantiate compliance.

Other

The Board has also made a number of additional changes to the Electricity RRR, including the following:

- i. Section 2.1.12 (reporting on conservation and demand management ("CDM") activities) is eliminated. This pertained to reporting on third tranche activities (reporting on CDM targets is addressed in the Conservation and Demand Management Code).

- ii. Section 2.1.5.5(b), which included data derived from sources external to the distributor, has been eliminated.
- iii. Section 2.1.5.5(h) has been deleted, and section 2.1.5.5(i) has been revised, to promote more consistent reporting on transformers.
- iv. Minor modifications have been made for clarity. For example, changes have been made to sections 2.1.5.1(e) and 2.1.5.1(f) to more closely reflect the wording on the Statistics Canada form (this information is collected on behalf of Statistics Canada, and is not currently used by the Board).

3. Amendments Affecting Electricity Transmitters

For the same reason as noted in section 2 above, the Board is also reducing the number of ARC self-certifications to one in the case of transmitters (section 3.2 and corresponding changes to section 3.3.6).

4. Amendments Affecting Retailers and Gas Marketers

The Board is making minor changes to the retailer provisions of the Electricity RRR and to the Marketer RRR, to reflect changes in nomenclature (i.e., “customer” versus “consumer” and “in person” versus “door-to-door”).

In addition, instead of reporting on offers “available to customers”, retailers and marketers will be required to report on offers that have been “accepted by customers” that have been successfully enrolled (those accepted by a distributor for flow). For purposes of overall market monitoring, offers accepted by customers are those that are of particular interest to the Board.

Lastly, gas marketers will now be required to report on automatic renewals when reporting their marketing approach percentages.

5. Coming into Effect

The amendments to the Electricity RRR and the Marketer RRR come into effect on January 1, 2013 and apply to filings due on or after that date. By way of exception, filings under sections 2.1.2, 2.1.3 and 2.1.5 will continue to be made on the basis of the current reporting requirements until filings covering 2012 have been made (i.e., for all filings due on or before April 30, 2013). Reporting under sections 2.1.2 and 2.1.5, as amended, will apply to all filings due after April 30, 2013.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

Attachment A: Comparison version of the Electricity RRR (for information purposes only)

Attachment B: Comparison version of the Marketer RRR (for information purposes only)

Attachment C: Electricity RRR, as amended

Attachment D: Marketer RRR, as amended