Ontario Energy Board

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Commission de l'énergie de l'Ontario

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BY E-MAIL AND WEB POSTING

December 19, 2013

To: All Rate-Regulated Licensed Electricity Distributors
All Participants in Consultation Process EB-2010-0219
All Participants in Consultation Process EB-2012-0383

All Other Interested Parties

RE: Review of the Board's Cost Allocation Policy for Unmetered Loads

Board File No.: EB-2012-0383

Issuance of the Report of the Board

Today, the Ontario Energy Board (the "Board") issued its <u>Report of the Board: Review of the Board's Cost Allocation Policy for Unmetered Loads</u> (the "Report"). Unmetered loads include street lighting, sentinel lighting and unmetered scattered load classes. A copy of the Report is attached and is available from the Board's website at www.ontarioenergyboard.ca.

The Report addresses a number of issues, which among other things includes:

- direction to update the instructions and worksheets of the Cost Allocation Model to deal with some of the issues raised in the course of this consultation;
- clarification of Board policy regarding billing customers for updated unmetered load data:
- clarification of how load profiles are to be updated by distributors;
- items that will be included in future proposed code amendments to require distributors to include certain information in their Condition of Service in relation to updating unmetered load customer load and consumption data;
- the expectation that distributors should enhance communication with unmetered load customers to assist them with understanding the regulatory context in which distributors operate and how it affects unmetered load customers; and

• the revenue to cost ratio for the street lighting class will not be narrowed at this time but the Board may narrow the range if supported by new data flowing from the outcomes of this consultation.

Revisions to the instructions to the Board's Cost Allocation Model will be developed by Board staff and will be provided to the working group for comment before the Board finalizes them.

A separate code amendment process to amend the Distribution System Code to require distributors to include certain information in their Conditions of Service in relation to unmetered loads customers will commence shortly.

The Board will also initiate a separate single-issue consultation process on the allocation of costs to daisy-chain configured street lighting systems. Further details on this consultation will be communicated in the near future.

The Board will address the issue of cost awards for this consultation by separate correspondence to be issued shortly.

If you have any questions about this consultation, please contact Vince Cooney at 416-440-8143 or by email at Vincent.Cooney@ontarioenergyboard.ca. The Board's toll free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli Board Secretary