



BY EMAIL AND WEB POSTING

June 20, 2019

To: All Rate-regulated Licensed Electricity Distributors
Independent Electricity System Operator
All Intervenors in the 2019 and 2020 Distribution Rate Applications
All Other Interested Parties

Re: Lost Revenue Adjustment Mechanism for 2020 Rate Applications

On March 20, 2019, Ministerial Directives to the Ontario Energy Board (OEB) and the Independent Electricity System Operator (IESO) relating to the immediate discontinuance of the Conservation First Framework (CFF) were approved by Order in Council. The CFF was initially expected to extend to the end of 2020.

Annual verified results prepared by the IESO have been used to support lost revenue claims by electricity distributors associated with the successful delivery of CFF conservation programs. These verified results have been available for conservation program activities for the first three years of the CFF (2015, 2016 and 2017). The OEB understands that, with the discontinuance of the CFF, electricity distributors will no longer receive any preliminary or final annual verified results for conservation program activities undertaken in later years.

The OEB believes that electricity distributors should continue to have access to a lost revenue adjustment mechanism (LRAM) related to the successful delivery of CFF conservation programs. The OEB will be making updates to Chapter 2 and Chapter 3 of the *Filing Requirements for Electricity Distribution Rate Applications* for 2020 rates shortly. Guidance on the supporting documentation that should be provided by distributors with any LRAM claim related to conservation program activities undertaken under the CFF and any adjustments to a 2020 load forecast will be included in the updates to the Filing Requirements.

Any questions relating to this letter should be directed to Industry Relations at industryrelations@oeb.ca. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary