



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

BY EMAIL AND WEB POSTING

April 29, 2020

**To: Ontario Power Generation Inc.
All Rate-regulated Electricity Transmitters
All Other Interested Parties**

**Re: Accounting Order for the Establishment of Deferral Accounts to Record
Impacts Arising from the COVID-19 Emergency for Ontario Power
Generation Inc. and Electricity Transmitters**

In the Ontario Energy Board's (OEB) March 25, 2020 [accounting order](#),¹ the OEB acknowledged that electricity and natural gas distributors may incur incremental costs as a result of the ongoing COVID-19 pandemic. The OEB therefore ordered the establishment of a deferral account with sub-accounts for electricity and natural gas distributors to use to track any incremental costs and lost revenues related to the COVID-19 pandemic effective March 24, 2020. The OEB understands that Ontario Power Generation Inc. (OPG) and electricity transmitters (transmitters) may also be impacted by the COVID-19 pandemic. This accounting order confirms the applicability of the account to OPG and transmitters.

In light of the uncertainty surrounding the COVID-19 emergency, the OEB is of the view that the account established in the March 25, 2020 accounting order should also apply to OPG so that it can track lost revenues and incremental costs arising from the COVID-19 pandemic.

¹ Accounting Order for the Establishment of Deferral Accounts to Record Impacts Arising from the COVID-19 Emergency, dated March 25, 2020

Transmitters' licences require that transmitters follow the Accounting Procedures Handbook that is approved by the OEB. Therefore, Account 1509 - Impacts Arising from the COVID-19 Emergency, which was established in the March 25, 2020 accounting order is applicable to transmitters as well.

The two sub-accounts that may be applicable to OPG and transmitters are:

- i. Sub-account, Lost Revenues which is to record lost revenues.
- ii. Sub-account, Other Costs which is to record incremental identifiable costs related to the COVID-19 emergency, including costs relating to bad debt expenses

Carrying charges at the OEB's prescribed rate apply to these sub-accounts.

The OEB has not yet made a determination on the nature of revenue or costs that will be recoverable. In the event that OPG and any transmitter chooses to use the sub-accounts, they must maintain detailed tracking and records to support amounts that have been recorded, for the OEB's consideration. The OEB will assess any claimed costs and/or lost revenues associated with any of the sub-accounts in this letter, at the time these sub-accounts are requested for disposition, subject to established materiality thresholds.

Yours truly,

Original signed by

Christine E. Long
Registrar and Board Secretary