



VIA E-MAIL AND WEB POSTING

July 14, 2020

To: Rate-regulated Electricity Distributors

Re: Process for 2021 Incentive Rate-setting Mechanism Distribution Rate Applications

Under the Ontario Energy Board's (OEB) incentive rate-setting mechanism (IRM) process, base rates are adjusted by a mechanism that is based on an inflation factor less a productivity or X-Factor. The formula includes an industry-specific inflation factor and two factors for productivity. One productivity factor is a fixed amount for industry-wide productivity and the other is a stretch factor, which is set each year based on the level of productivity the electricity distributor has achieved. The OEB will establish the final inflation factor and stretch factor to apply to distributors for the 2021 rate year in due course.¹ The rate generator will initially include rate-setting parameters from the 2020 rate year as a placeholder. OEB staff will adjust the rate generator once updated rate-setting parameters are available.

The OEB posted the rate generator model and other optional IRM models on July 14, 2020. The COVID-19 foregone revenue rate rider model will be posted following the IRM webinar that is planned for July 15, 2020.

The OEB has established four filing dates for distributors. The application filing deadlines for each group were determined so that, in the normal course, the OEB could process a large number of applications, and a decision on each application could be issued in time for a January 1 or May 1 implementation date. The OEB expects 46 IRM applications to be filed for 2021 rates representing 45 distributors.

The application groupings are as follows:

¹ Electricity distributors filing under the Annual IR Index method receive the highest stretch factor adjustment.

Tranche	Application Filing Deadline	No. of Applications
1	August 17, 2020	21
2	October 13, 2020	9
3	November 2, 2020	8
4	November 23, 2020	8
	Total Number of Applications	46

Tranche 1 is for those distributors applying for a January 1, 2021 effective date for rates. Applicants for May 1 rates have been assigned to one of three later filing dates based on the expected level of complexity of the application as reflected in distributors' responses to a survey conducted in May 2020. The attached table lists the assignment of electricity distributors to each of the tranches.

If a distributor in Tranche 3 or 4 contemplates a material increase in the complexity of its application relative to the information it provided in the survey, it should advise the OEB and is encouraged to file as part of Tranche 2.

Distributors that postponed the implementation of rates effective May 1, 2020 to November 1, 2020 should submit the foregone revenue rider spreadsheet by September 15, 2020. The forgone revenue riders will be reviewed and a new Tariff of Rates and Charges for 2020 rates will be issued in October 2020 that will serve as a revised starting point for all IRM applications. The review of the spreadsheet and issuance of the updated Tariff of Rates and Charges for 2020 rates will be conducted through an administrative process, outside of the 2021 IRM process. The OEB will issue further guidance regarding the process for implementation of 2020 rates shortly.

The OEB expects applicants to submit all filings with the OEB by 4:45 pm on the applicable filing deadline.

Yours truly,

Original signed by

Christine E. Long
Registrar and Board Secretary

Att: List of Distributors by Tranche

Attachment to Letter Dated July 14, 2020

Filing Deadlines List of Electricity Distributors by Tranche

Company	EB Number	Tranche	Filing Deadline
Alectra Utilities Corporation	EB-2020-0002	1	Aug. 17
Algoma Power Inc.	EB-2020-0003	1	Aug. 17
Brantford Power Inc.	EB-2020-0006	1	Aug. 17
Canadian Niagara Power Inc.	EB-2020-0008	1	Aug. 17
Centre Wellington Hydro Ltd.	EB-2020-0009	1	Aug. 17
Cooperative Hydro Embrun Inc.	EB-2020-0011	1	Aug. 17
Elexicon Energy Inc. - Whitby service area*	EB-2020-0012	1	Aug. 17
Energy + Inc.	EB-2020-0016	1	Aug. 17
Entegrus Powerlines Inc.	EB-2020-0015	1	Aug. 17
ENWIN Utilities Ltd.	EB-2020-0017	1	Aug. 17
Festival Hydro Inc.	EB-2020-0022	1	Aug. 17
Grimsby Power Incorporated	EB-2020-0025	1	Aug. 17
Hydro Hawkesbury Inc.	EB-2020-0029	1	Aug. 17
Hydro One Networks Inc. - Norfolk, Haldimand, Woodstock	EB-2020-0031	1	Aug. 17
Innpower Corporation	EB-2020-0033	1	Aug. 17
Kingston Hydro Corporation	EB-2020-0034	1	Aug. 17
Kitchener-Wilmot Hydro Inc.	EB-2020-0035	1	Aug. 17
Lakefront Utilities Inc.	EB-2020-0036	1	Aug. 17
Oakville Hydro Electricity Distribution Inc.*	EB-2020-0045	1	Aug. 17
Renfrew Hydro Inc.	EB-2020-0052	1	Aug. 17
Westario Power Inc.	EB-2020-0062	1	Aug. 17
Atikokan Hydro Inc.	EB-2020-0004	2	Oct. 13
Elexicon Energy Inc. - Veridian service area	EB-2020-0013	2	Oct. 13
EPCOR Electricity Distribution Ontario Inc.	EB-2020-0018	2	Oct. 13
Fort Frances Power Corporation*	EB-2020-0023	2	Oct. 13
Greater Sudbury Hydro Inc.	EB-2020-0024	2	Oct. 13
Lakeland Power Distribution Ltd.	EB-2020-0037	2	Oct. 13
Newmarket – Tay Power Distribution Ltd.*	EB-2020-0041	2	Oct. 13
Niagara-on-the-Lake Hydro Inc.*	EB-2020-0042	2	Oct. 13
PUC Distribution Inc.	EB-2020-0051	2	Oct. 13
Welland Hydro Electric System Corp.	EB-2020-0060	3	Nov. 2
Chapleau Public Utilities Corporation	EB-2020-0010	3	Nov. 2
E.L.K. Energy Inc.*	EB-2020-0014	3	Nov. 2
Essex Powerlines Corporation	EB-2020-0021	3	Nov. 2
London Hydro Inc.	EB-2020-0038	3	Nov. 2
Orangeville Hydro Limited*	EB-2020-0046	3	Nov. 2
Tillsonburg Hydro Inc.*	EB-2020-0056	3	Nov. 2

Wasaga Distribution Inc.	EB-2020-0058	3	Nov. 2
Bluewater Power Distribution Corp.*	EB-2020-0005	4	Nov. 23
ERTH Power Corporation	EB-2020-0019	4	Nov. 23
Hydro 2000 Inc.	EB-2020-0028	4	Nov. 23
Hydro One Remote Communities Inc.	EB-2020-0032	4	Nov. 23
Milton Hydro Distribution Inc.	EB-2020-0039	4	Nov. 23
Northern Ontario Wires Inc.	EB-2020-0044	4	Nov. 23
Sioux Lookout Hydro Inc.	EB-2020-0054	4	Nov. 23
Synergy North Corporation	EB-2020-0055	4	Nov. 23
Total Applications	46		

* These distributors have indicated in the IRM survey that they will be filing an Annual IR Index application.