



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

**BY EMAIL AND WEB POSTING**

November 19, 2020

**To: All Registered Stakeholders  
All Other Interested Parties**

**Re: Consultation on the Deferral Account – Impacts Arising from the COVID-19  
Emergency  
Ontario Energy Board File Number: EB-2020-0133**

On May 14, 2020, the Ontario Energy Board (OEB) commenced a consultation on a deferral account relating to impacts arising from the COVID-19 emergency in the electricity and natural gas sectors.

On [September 24, 2020](#), the OEB advised that it had commissioned a consultant, London Economics International LLC (LEI), to provide expert reports to support this consultation. On [October 15, 2020](#), the Ontario Energy Association, on behalf of certain member organizations, requested that the OEB provide the scope of work for these reports.

The scope of work with respect to these expert reports is set out in Attachment A to this letter.

The OEB would also like to acknowledge the input received from stakeholders to date regarding the process for this consultation. Information on this consultation can be accessed on the OEB's [webpage](#).

Any questions related to this consultation may be sent to Fiona O'Connell at [fiona.oconnell@oeb.ca](mailto:fiona.oconnell@oeb.ca).

Yours truly,

*Original Signed By*

Christine E. Long  
Registrar

## Attachment A: Summary of Scope of Work for LEI Reports

The information below summarizes LEI's scope of work to support this consultation. Stakeholders are reminded that, as noted in the OEB's September 24, 2020 [letter](#), the OEB expects that the results of LEI's *COVID-19 Impact Study*, which is being commissioned for the OEB's Utility Remuneration and Responding to Distributed Energy Resources integrated consultations, will also be relevant to this consultation.

### Summary of Scope of Work

1. A Report on Gains and Losses from Differences in Load
  - a) A methodology will be provided to calculate lost revenue due to lost load for electricity distributors and transmitters and gas distributors that is attributable to the COVID-19 pandemic and is not otherwise compensated for or recoverable through approved rates. The methodology will also be flexible enough to capture any increased revenue due to increases in load, as well as differences in production for generators. Other factors will be incorporated such as the quantification of permanent versus temporary impacts, as well as a weather normalization methodology.
  - b) An analysis will be done of the impact of increased production or increased revenue, if any. The increased revenue would reflect those in addition to amounts otherwise compensated for or recoverable through approved rates.
2. A Report on Regulatory Principles, Policies and Accounting Treatments Applied in Other Jurisdictions in Response to COVID-19.<sup>1</sup>
  - a) A review will be done of other jurisdictions in North America to understand what other regulators have done to date, or announced that they are considering, as well as highlighting approaches that are unique or appear particularly relevant to the Ontario context.
  - b) A review will be done regarding what other jurisdictions in Canada and the United States are considering and implementing regarding the treatment of lost revenues (and any revenue gains) attributable to the COVID-19 pandemic.
  - c) Intelligence gathering and comparison to identify the regulatory principles and policies being used or expected to be used by other regulators in their handling and review of COVID-19 will be done.
  - d) The identification of the accounting treatments used in other jurisdictions will be done to assess what other regulators have considered with respect to the recognition of COVID-19-related regulatory assets on utility financial statements.
3. A Report on Cost of Capital Parameters

A summary report on LEI's assessment of the OEB's cost of capital parameters, including the impacts of COVID-19 on those parameters, will be prepared.

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<sup>1</sup> This report will also be used as part of the *COVID-19 Impact Study* commissioned by the OEB for the Utility Remuneration and Responding to Distributed Energy Resources consultations (EB-2018-0287 and EB-2018-0288).