



BY EMAIL

December 15, 2022

**To: All Licensed and Rate-regulated Electricity Distributors
All Intervenors in Electricity Distribution Rate Proceedings for 2023**

**Re: Consultation on Updates to Filing Requirements for Electricity Distribution
Cost of Service Applications**

Today, the Ontario Energy Board (OEB) issued an updated version of its *Filing Requirements for Electricity Distribution Rate Applications* (Filing Requirements) in advance of the filing of applications for 2024 rates.

As part of its path to modernization and its continuing work on finding process improvements to increase value for Ontario's energy consumers, the OEB established a working group to review filing requirements for large distributors for 2024 rates in its [February 22, 2022](#) letter. This work followed a review to find efficiencies in the rate application process for smaller rate-regulated electricity distributors.¹ As was the case with the outcomes of the small utility work, the OEB has determined that many of the improvements to the Filing Requirements made for large distributors will be applicable to all distributors. The OEB will continue to consider enhancements in future years to further improve the adjudicative process.

The OEB extends its thanks to the working group for providing their contributions over the course of 2022. The amendments to the filing requirements reflect the working group's recommendations.

A summary of the changes made since the April 18, 2022 issuance of updates to Chapters 2 and 5 of the Filing Requirements is set out below. Chapter 1 of the Filing Requirements will not be changing at this time.

¹ The OEB established filing requirements for 2023 rates for smaller utilities (those less than 30,000 customers).

Chapter 2

- Clarified that all distributors should provide information on any potential opportunities investigated for consolidation or collaboration/partnerships with other distributors.
- Removed redundant Gross Assets – Property Plant and Equipment and Accumulated Depreciation analysis.
- Clarified that the materiality threshold uses base revenue requirement for its calculation and provided a table explaining how the materiality threshold should be applied.
- Differentiated between ongoing and application-specific customer engagement.
- Provided clarity on the expectation for Activities and Program-based Benchmarking.
- Clarified that projects for facilitating innovation should include costs and expected benefits, and also recognized that the Framework for Energy Innovation initiative and related work is defining an approach to assessing benefits and costs.
- Included an expectation that the utility provide an overview of its financing strategy.
- Included an expectation that the utility provide the basis on which pension and Other Post Employment Benefit amounts are forecasted.
- Noted that there may be different treatments that could be applied to the approach to the 1592 sub-account tracking Capital Cost Allowance changes.
- Removed repetitive Deferral and Variance Account (DVA) requirements.
- Reduced requirements for Retail Service Charges related accounts.
- Clarified requirements for Group 2 and new accounts.
- Moved DVA instructions from the DVA continuity schedule and Chapter 2 Filing Requirements to a separate document that will be issued in conjunction with the filing requirements.

Chapter 5

- Clarified a requirement that distributors provide a summary of changes to typical capital programs since the last distribution system plan.
- Included an expectation that a distributor's planning process for future capacity needs must include a consideration for increased adoption of electric vehicles.
- Expanded on the requirements to demonstrate grid optimization through considering the distribution system as a whole, which should consider Distributed Energy Resources.
- Clarified expectations for Conservation Demand Management activities for distribution system planning, and recognized that the Framework for Energy Innovation is defining an approach to assessing benefits and costs.

Versions of all models for Chapter 2, including the cost of service checklist, will be posted in early 2023.

Cost Awards

As indicated in the February 22, 2022 letter, cost awards are available to eligible participants in the working group and any cost awards approved by the OEB in this proceeding will be recovered from all large electricity distributors that are rate regulated by the OEB. The costs will be recovered from distributors with 30,000 or more customers. Cost awards will cover preparation, attendance, and reporting time in relation to each working group meeting. The OEB will apply the principles set out in section 5 of its [Practice Direction on Cost Awards](#) when awarding costs. The hourly rates set out in the OEB's Cost Award Tariff will be applied.

Intervenors must submit their cost claims by **January 9, 2023**. Cost claims must be completed in accordance with section 10 of the OEB's *Practice Direction on Cost Awards*.

Rate-regulated large distributors may review cost claims on the OEB's website by referencing [EB-2022-0096](#). Rate-regulated distributors with more than 30,000 customers will have until **January 23, 2023**, to object to any aspect of the costs claimed. Any objection must be filed with the OEB and one copy must be sent by email to the intervenor against whose claim the objection is being made.

An intervenor whose cost claim was objected to will have until **January 30, 2023**, to file with the OEB a reply submission as to why its cost claim should be allowed. One copy of the reply submission is to be sent by email to the objecting distributors.

Any questions relating to this letter should be directed to Margaret DeFazio at 416-440-7674 or margaret.defazio@oeb.ca.

Yours truly,

Nancy Marconi
Registrar