

**Request for an Accounting Order to establish Generic
Locates Services Variance Accounts beginning January
1, 2023**

**NOTICE OF HEARING AND PROCEDURAL ORDER NO. 1
August 1, 2023**

On May 11, 2023, a group of large Ontario natural gas and electricity local distribution companies (the Large Utilities) filed a letter with the Ontario Energy Board seeking the establishment of a generic, sector-wide variance account to track the incremental costs of locates in 2023 and future years arising from the implementation of recent Provincial legislation: Bill 93 (Getting Ontario Connected Act, 2022). The Large Utilities proposed an effective date of January 1, 2023 for the new account. According to the Large Utilities, Bill 93 will result in significant incremental locates costs that are not covered by their current rates.

The Large Utilities are:

- Alectra Utilities Corporation
- Elexicon Energy Inc.
- Enbridge Gas Inc.
- Hydro One Networks Inc.
- Hydro Ottawa Limited
- Oakville Hydro Electricity Distribution Inc.
- Toronto Hydro-Electric System Limited

On May 15, 2023, the OEB received a letter requesting a similar account from the Electricity Distributors Association on behalf of its members (which include some of the Large Utilities).

On June 14, 2023, the OEB issued a letter requesting the Large Utilities file the following information by July 7, 2023:

1. Evidence on what costs related to locates are currently included in each of the Large Utilities' approved revenue requirement (and hence already included in base rates).

2. Evidence on the number of locates that were conducted by each of the Large Utilities in the years 2017-2022.
3. Evidence on the incremental costs due to an increased volume of locates requests, and the incremental costs due to the need to meet the new requirements under Bill 93. Further, the utility should provide evidence on the materiality of these incremental locates costs, and a general description of how the utility plans to incur the incremental costs prudently.
4. An explanation of why the generic variance account should be retroactive to January 1, 2023.
5. Draft accounting order for the requested locates services costs variance account.

The six electricity local distribution companies of the Large Utilities filed this information on July 7, 2023. Enbridge Gas Inc. filed this information on July 25, 2023.

The OEB will Hold a Public Hearing

The OEB has determined that it will commence a proceeding on its own motion under sections 19(4), 36 and 78 of the *Ontario Energy Board Act, 1998* to consider the request for new variance accounts.

This proceeding will only consider whether accounts should be established to track the relevant costs. It will not consider the appropriate disposition or disposition methodology of any potential amounts that may be booked in such accounts in the event the OEB establishes the accounts. Therefore, the OEB intends to proceed by way of written argument based on the information filed by the Large Utilities to date.

Intervenor Status and Cost Eligibility

The OEB has determined that it will grant the Large Utilities intervenor status in this proceeding.

Intervenors in the last cost of service proceeding for each of the Large Utilities are also granted intervenor status in this proceeding and those that qualified for cost award eligibility are granted 6 hours of cost eligibility for this new proceeding. Being eligible to apply for recovery of costs is not a guarantee of recovery of any costs claimed.

The list of parties is included as Schedule A to this Notice & Procedural Order No. 1.

How to See Documents related to This Proceeding

To access the documents related to this proceeding, please select the file number EB-2023-0143 on the OEB website: www.oeb.ca/notice. You can also phone our Consumer Relations Centre at 1-877-632-2727 with any questions.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Any written submission by intervenors (not including the Large Utilities) and OEB staff shall be filed with the OEB and served on the Large Utilities and all other parties by **August 18, 2023**.
2. Any reply submission by the Large Utilities shall be filed with the OEB and served on all other parties by **September 1, 2023**.

Parties are responsible for ensuring that any documents they file with the OEB **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2023-0143** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Andrew Frank at Andrew.Frank@oeb.ca and OEB Counsel, Michael Millar at Michael.Millar@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, August 1, 2023

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

cc: Brittany Ashby, Senior Regulatory Affairs Advisor, Electricity Distributors Association
Vince Brescia, President and CEO, Ontario Energy Association
Susannah Robinson, EPCOR Natural Gas Limited Partnership
All rate regulated and licensed electricity distributors
All intervenors in Enbridge Gas Inc. rebasing, EB-2022-0200
All intervenors in each of The Large Utilities last cost of service rebasing applications