



Ontario
Energy
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de l'énergie
de l'Ontario

BY E-MAIL AND WEBPOSTING

August 31, 2023

**To: All Rate-regulated Electricity Distributors
All Intervenors in Electricity Distribution Cost of Service Proceedings for
2024 Rates**

**Re: Consultation on Reducing Regulatory Burden for Very Small Electricity
Distributor Cost of Service Applications
Ontario Energy Board File No. EB-2023-0229**

The OEB is establishing a working group to assess opportunities for reducing regulatory burden associated with the filing and review process of major rate applications for very small electricity distributors. This working group will be comprised of representatives of electricity distributors with fewer than 5,000 customers, OEB staff and the Vulnerable Energy Consumer Coalition (VECC). The OEB chose VECC as the only representative of stakeholders because of their previous participation in proceedings for small electricity distributors, and to minimize costs.

In response to the [Office of the Auditor General of Ontario's Report on the Value-for-Money Audit conducted in relation to the OEB, Electricity Oversight and Consumer Protection](#), the OEB will conduct an evaluation of the impact of its recent and ongoing regulatory efficiency initiatives on very small electricity distributors. These initiatives include recent reviews of the OEB's cost of service filing requirements for small electricity distributors and the Framework for the Review of Intervenor Processes and Cost Awards, among others. The OEB will assess the impact of these recent initiatives against the OEB's need for evidence to fulfil its statutory and administrative law obligations in setting just and reasonable rates. Based on this assessment, any further opportunities to reduce the regulatory burden of major rate applications for very small electricity distributors will also be taken.

The working group will also assess how best to establish procedures for continuous monitoring of the impact of relevant regulatory initiatives on these electricity distributors so that the OEB can be well positioned to take further actions in the future.

Very Small Electricity Distributor Working Group

The OEB will hold an initial meeting with the electricity distributors identified in Appendix A to discuss this initiative and begin discussions on potential opportunities to improve regulatory efficiency. While open to feedback from working group members regarding the working group's scope, the initial focus is anticipated to include, but not be limited to, the following:

- The cost of service application process.
- Current OEB regulatory efficiency initiatives, with attention to impact on electricity distributors with fewer than 5,000 customers.
- The major components of cost of service rate applications (Filing Requirements)
- A process to regularly monitor and review impact of regulatory initiatives on very small electricity distributors.

Cost Awards Matters and Filing Instructions

Cost awards will be available to VECC under section 30 of the *Ontario Energy Board Act, 1998* for participation in the consultation to a maximum of \$10,000. Costs awarded will be recovered from the electricity distributors listed in Appendix A based on customer numbers.

If any electricity distributor listed has any objections to VECC's cost eligibility and the approach to cost recovery, such objections must be filed with the OEB by September 14, 2023. Any objections will be posted on the OEB's [website](#). The OEB will then make a final determination on the cost eligibility.

Important information regarding cost awards and instructions for filing materials with the OEB is included in Appendix B to this letter.

Any questions relating to this letter should be directed to Donald Lau at Donald.Lau@oeb.ca.

Yours truly,

Nancy Marconi
Registrar

Appendix A

List of Very Small Electricity Distributors¹

1. Atikokan Hydro Inc.
2. Cooperative Hydro Embrun Inc.
3. Fort Frances Power Corporation
4. Hearst Power Distribution Co. Ltd.
5. Hydro2000 Inc.
6. Renfrew Hydro Inc.
7. Sioux Lookout Hydro Inc.
8. Wellington North Power Inc.

¹ Hydro One Remote Communities and Chapleau Public Utilities Corporation will not be participating at this time.

Appendix B

Cost Awards Matters and Filing Instructions

Eligible Activities

Cost awards will be available to VECC for participation in the working group meeting(s) to a maximum of actual meeting time plus 50% of meeting time for preparation and reporting, and total no more than \$10,000.

Cost Awards

When determining the amount of the cost awards, the OEB will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Cost Awards Tariff will also be applied. In accordance with section 12 of its *Practice Direction on Cost Awards* the OEB will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the OEB's *Practice Direction on Cost Awards*.

How to File Materials

All written materials sent to the OEB in response to this letter will be placed on the public record and posted on the OEB's website. If the written materials are from a private citizen (i.e., not a lawyer representing a client, not a consultant representing a client or organization, not an individual in an organization that represents the interests of consumers or other groups, and not an individual from a regulated entity), the OEB will remove any personal (i.e., not business) contact information (e.g., address, phone number and e-mail address) before placing the materials on the public record and posting the materials on the OEB's website. However, your name and the entire content of your materials will be placed on the public record and posted on the OEB's website. If the written materials are from a person acting in a professional or business capacity, all information in the written materials will be publicly available.

Stakeholders 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-2023-0229** 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.
- Stakeholders 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.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

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.

Email: registrar@oeb.ca

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