

February 1, 2024

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms Marconi:

EB-2022-0325 – Ontario Energy Board – Generic Hearing on Uniform Transmission Rates – Phase 2

On October 27, 2023, the Ontario Energy Board (OEB) initiated a hearing on its own motion to consider a set of issues related to Ontario’s Uniform Transmission Rates (UTRs). The OEB identified 6 issues for consideration:

1. Timing of UTR Decisions
2. Number of decimal places for UTRs
3. Prorating transmission charges for new connections to account for when the connection took place in the month
4. Charges caused by planned transmission outages
5. Basis for billing renewable, non-renewable, and energy storage facilities for transmission
6. Gross load billing thresholds for renewable and non-renewable generation

On December 8, 2023, the OEB released its Procedural Order No. 1. In that Procedural Order OEB Staff provided background information and recommendations on how to address the first three issues. The OEB invited intervenors to consider these recommendations and provide submissions. These are the submissions of the Consumers Council of Canada (Council).

ISSUE 1 – Timing of UTR Decisions

OEB Staff has recommended that the OEB continue with its current practices for addressing UTR timing-related issues. The OEB has issued interim UTR decisions effective January 1 and final UTRs by way of updated decisions during the calendar year. Deferral/variance accounts address the potential implementation timing issues. OEB Staff recommends continuing the current practices as they provide transmitters with timely revenue adjustments. This includes the recent practice of issuing forecast UTRs. The Council supports OEB Staff’s recommendations.

ISSUE 2 – Number of Decimal Places for UTRs

Currently UTRs are prescribed to two decimal places. OEB Staff has recommended maintaining the two decimal places on the basis that increasing the number of decimal places would not meet any of the transmitters’ materiality threshold. This is an issue that could be revisited later. The Council support’s OEB Staffs recommendations.

ISSUE 3 – Prorating Transmission Charges for New Connection to Account For When the Connection Tool Place in the Month

OEB Staff has recommended that the line connection and transformation connection charges for new connections be prorated to account for when in the month new connections are made. OEB Staff supports the proration of line connection and transformation connection charges for new connections on the basis of the principle that cost follows benefits. A customer that connects later in the month should not be required to pay for assets or services that were provided to others earlier in the month, before the customer was connected.

OEB Staff also recommend that the proration should apply to new connections beginning on an effective date to be specified – which should be coordinated between the OEB and the IESO.

The Council supports the recommendations advanced by OEB Staff.

Please feel free to contact me if you have questions.

Yours truly,

Julie E. Girvan

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CC: All parties