

February 9, 2024

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Marconi:

Re: EB-2022-0325 Generic UTR Issues Hearing – Phase 2 OEB Staff Suggestion Regarding Issues 1, 2 and 3

The Electricity Distributors Association (EDA) is an intervenor in the generic hearing of Phase 2 the OEB's generic hearing on uniform transmission rates (UTR). The EDA is the voice of Ontario's local distribution companies (LDCs) and represents the interests of over 50 publicly and privately owned LDCs in Ontario. The distribution sector delivers approximately 120TWh of electricity to 5.4 million residential, commercial, industrial, and institutional customers throughout the province. LDCs have a significant interest in the above-named proceeding and its outcome and its impacts downstream.

On December 8, 2023, the OEB issued Procedural Order No. 1. Attached to the Procedural Order was a report from OEB staff setting out background on the first three issues and recommendations as to how they should be addressed. Intervenors in the proceeding were invited to consider these recommendations and provide submissions. We appreciate the extension granted by the OEB for our submission of Issues 1, 2, and 3 as a key member of our team experienced a family emergency during the week of the original due date.

Please see below as our submission on Issues 1, 2 and 3.

Issue 1: Timing of UTR Decisions

EDA takes no issue and is supportive of OEB staff recommendations to continue the current practice for addressing the UTR timing-related issues. Adjusting the timelines to coordinate the rates which customers are charged to align with the distributor rate setting practice more closely, is favourable for distributors' workflow, as well as customer billing accuracy.

OEB staff issued a letter on September 28, 2023, to distributors providing the calculations for 2024 UTRs in applicable rate applications with an effective date of January 1, 2024. This was to address/mitigate the impacts surrounding the issue of timing UTR decisions and issuing

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preliminary UTRs to improve regulatory efficiencies for rate applications including annual updates for electricity distributors on a timelier basis. The EDA and its LDC members have commented on many occasions on the additional efforts taken during their yearly rate setting applications to accommodate for the misalignment of UTR approvals. Notable efficiencies are more accurate billing practices for customers, less billing adjustments and amendments to rate applications and tariffs. Alignment of timing may also benefit distributors by minimizing the UTR variances held in accounts and avoiding foregone revenue riders.

Issue 2: Number of Decimal places for UTRs

The EDA does take issue with the OEB staff recommendation to not convert the decimal places of Transmission UTRs from two to four. We believe that a consistent approach should be applied throughout the rate making process. We also question the use of the submitted evidence for individual transmitter impacts and suggest that customer billing impacts that distributors experience downstream in collected variances should also be reviewed. Each UTR charge flows through the system of distributors and generates a variance to be either collected or paid to the rate payers of the province. Aligning the billed decimal points with current customer billing practices could minimize these UTR balances to rate payers. Fundamentally, the coordination of the OEB billing practices would be favourable and avoid intergenerational impacts on disposition of these variances to distribution customers.

On the principle of consistency and billing accuracy, we support further consideration by all parties to explore the benefits of aligning the number of decimal places. The OEB must consider its consistency of billing guidance throughout the province and the impact of its decision on these customer accounts.

Issue 3: Prorating transmission charges for new connections to account for when the connection took place in a month.


EDA does not oppose this recommendation, but we hold concern and reservation for the proposal to implement an inconsistent application of UTR rates. We wish to highlight that, in this recommendation, the OEB has recommended prorations **only** of the line and connection and transformation charges for new connections on the principle of cost follows benefit and remains silent on network charges which are more complex to calculate. OEB staff continues to recommend this based on other implementation matters.

Regardless of the direction chosen, we are supportive of a consistent approach to billing practices to improve billing across the industry, and forecasting of calculations. The outcome of these changes must not impact the distributors or customers downstream in the settlement process. We strongly encourage the OEB to also review downstream impacts to these accounts and the principle of keeping distributors whole and minimizing any financial timing differences.

We strongly support the recommendation to choose an effective date and implement the proration on that date forward. Consideration for billing setup changes and billing process auditing must be planned for implementation to be executed successfully. It is unclear if there will be a granted lead time for communication, setup and testing, and a period of implementation. We do not support any proposals to calculate charges for this decision retroactively.

Thank you again for the opportunity to comment on issues 1, 2, and 3 of the UTR Generic Hearing. If you have any questions or require any clarifications, please do not hesitate to contact Brittany Ashby, Senior Regulatory Affairs Advisor, at bashby@eda-on.ca or at 416.886.4420.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Wigdor", is centered within a light gray rectangular box.

Ted Wigdor
Vice President
Policy, Government & Corporate Affairs