



Ontario  
Energy  
Board | Commission  
de l'énergie  
de l'Ontario

**BY EMAIL**

April 30, 2025

**To: All Rate-Regulated Electricity Distributors  
Participants in consultation EB-2023-0071  
All Intervenors in Cost of Service Proceedings for 2025 rates  
All Other Interested Parties**

**Re: Accounting Order (001-2025) for the Establishment of a Deferral Account to  
Record Impacts Arising from Implementing the Electric Vehicle Charging  
Rate  
Ontario Energy Board File Number: EB-2023-0071**

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## **Background**

On March 31, 2025, the Ontario Energy Board (OEB) released its [final report](#) and accompanying [letter](#) on the design of the Electric Vehicle Charging Rate (EVC Rate). The EVC Rate will reduce the Retail Transmission Service Rates (RTSRs) paid by participating EV charging stations and will better align the RTSRs that they pay with the transmission system costs incurred to serve them. The letter stated that the OEB would establish a deferral account to allow electricity distributors to track the revenue requirement impacts of their incremental and material costs of implementing the EVC Rate.<sup>1</sup>

The final report states that once a distributor's OEB-approved 2026 distribution rates become effective, it must offer the new EVC Rate to EV charging stations that apply. Electricity distributors whose OEB-approved 2026 distribution rates become effective on January 1, 2026, are to make the EVC Rate available to eligible customers on January 1, 2026. Similarly, distributors whose OEB-approved 2026 rates become effective on May 1, 2026, are to make the EVC Rate available on May 1, 2026.

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<sup>1</sup> Page 7 of the OEB March 31, 2025 [letter](#).

This accounting order is being issued under delegated authority, without a hearing, pursuant to section 6 of the *Ontario Energy Board Act, 1998*.

## Accounting Order

Electricity distributors may establish two new accounts effective April 1, 2025:

1. Account 1508 - Other Regulatory Assets, Sub-account EVC Rate Implementation Costs
2. Account 1508 - Other Regulatory Assets, Sub-account EVC Rate Implementation Costs, Carrying Charges

In Account 1508, Other Regulatory Assets, Sub-account EVC Rate Implementation Costs, electricity distributors may record the incremental revenue requirement impacts directly attributable to the material costs of implementing the EVC Rate. The OEB expects these costs to be one-time implementation costs, as opposed to ongoing costs. As such, the OEB does not anticipate that distributors will require the deferral account beyond their next cost-based rate applications. Carrying charges will apply at the OEB's prescribed rates that are published on OEB's website on a quarterly basis.<sup>2</sup>

Distributors are expected to track costs at a sufficiently detailed level or category to assist in a review of the prudence of the costs incurred.

The OEB will assess any claimed costs recorded in the sub-accounts, including the appropriate revenue requirement treatment, when the sub-accounts are requested for disposition, and subject to the usual causation, materiality, and prudence criteria.<sup>3</sup>

## Sample Journal Entries

**To record the incremental revenue requirement impacts of material costs of implementing the EVC Rate option:**

Dr. 1508 Other Regulatory Assets, Sub-account EVC Rate Implementation Costs

Cr. XXXX Account(s) associated with revenue requirement impacts, as applicable

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<sup>2</sup> Please refer to the OEB's [Prescribed Interest Rates](#) webpage

<sup>3</sup> [Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications](#), Chapter 2 Cost of Service, December 9, 2024, p. 65

*To record revenue requirement impacts of material costs of implementing the EVC Rate.*

Dr. 1508 Other Regulatory Assets, Sub-account EVC Rate Implementation Costs,  
Carrying Charges

Cr. 6035 Other Interest Expense

*To record the carrying charges on the monthly opening balance in Account 1508  
Other Regulatory Assets, Sub-account EVC Rate Implementation Costs.*

Yours truly,

Theodore Antonopoulos  
Vice President, Major Applications