



BY EMAIL

December 17, 2025

**To: All Rate-Regulated Electricity Transmitters and Electricity Distributors
Participants in Working Group EB-2022-0325
All Other Interested Parties**

**Re: Accounting Order (002-2025) for the Establishment of Deferral and Variance
Accounts for Transmitters and Distributors to record Impacts Arising from
Double-Peak Billing
Ontario Energy Board File Number: EB-2022-0325**

Background

On November 27, 2025, the OEB issued a Decision and Rate Order (Decision)¹ on Double-Peak Billing and Gross Load Billing Exemptions in its second phase of a generic proceeding related to Ontario's Uniform Transmission Rates (UTRs).

The Decision approved deferral and variance accounts (DVAs) for transmitters to later recover refunds for double-peak billing events related to planned transmission outages, and the administrative costs associated with determining and issuing those refunds. The Decision also approved sub-accounts to Retail Settlement Variance Accounts (RSVA) 1584 and 1586 for distributors to record the refund amounts received from transmitters.

The Decision states that "The refunds shall be treated as transactions between Transmitters and their customers. Where the customer is a Distributor, these refunds will be treated as commodity pass-through transactions. Refunds shall be calculated on the basis of a single-peak baseline. The OEB expects Transmitters and their customers to coordinate and collect all necessary information to ensure issued refunds adhere to the principles of completeness, consistency, and compliance".²

¹ [Decision and Rate Order, November 27, 2025, EB-2022-0325](#)

² Ibid. p. 32

The Accounting Orders for the approved DVAs for transmitters and distributors are being issued by delegated authority under section 19 and 21, without a hearing, pursuant to section 78 of the *Ontario Energy Board Act, 1998*.

As noted in the Decision, the OEB agreed to establish DVAs to facilitate the refunds of double-peak billing charges resulting from planned outages.³ The OEB also supported extending the deferral account mechanism to host Distributors and tasked the UTR working group with developing additional recommendations to address the issues affecting embedded Distributors.⁴ The working group was also tasked to develop proposals for determining double-peak billing refunds relating to unplanned transmission outages.

Therefore, the DVAs established in this Accounting Orders will only pertain to the double-peak billing transactions associated with the planned outages between the transmitters and commercial and industrial customers or distributors (i.e. host distributors). Furthermore, the DVAs are not expected to record the double-peak billing transactions between host distributors and embedded distributors.

Yours truly,

Tina Li
Manager, Regulatory Accounting

³ [Decision and Rate Order, November 27, 2025, EB-2022-0325](#), p. 11

⁴ Ibid. p. 12

Appendix A
Accounting Order
For Electricity Transmitters

Deferral Accounts for Transmitters

Effective January 1, 2026, Transmitters shall establish the following four new DVAs in respect of the double peak billing.

- Account 1512 – Transmitter-Issued Double-Peak Biling Refunds
- Account 1512 – Transmitter-Issued Double-Peak Biling Refunds, Carrying Charges
- Account 1512 - Sub-account Transmitter-Issued Double-Peak Biling Incremental Administrative Costs
- Account 1512 - Sub-account Transmitter-Issued Double-Peak Biling Incremental Administrative Costs, Carrying Charges

Account 1512 - Transmitter-Issued Double-Peak Biling Refunds

Transmitters will record the refunds issued to their customers or distributors arising from double-peak billing events from planned outages. The refunds issued by the transmitters shall be subject to a minimum threshold as stated below:⁵

Conditions	Minimum Threshold (per event)
Distributors with an annual revenue requirement of \$10 million or greater	\$50,000
Distributors with an annual revenue requirement under \$10 million and with at least 10,000 customers	\$20,000
Distributors with fewer than 10,000 customers	1% of the previous year's total transmission service charges
Commercial and industrial customers	1% of the previous year's total transmission service charges

The Decision also notes that the transmitters and the distributors should agree on the basis and the amount of the refund.⁶

Carrying charges will apply to this account at the OEB's prescribed rates published on a quarterly basis.⁷

⁵ [Decision and Rate Order, November 27, 2025, EB-2022-0325](#), p. 32

⁶ Ibid. p. 11

⁷ Please refer to the [OEB's Prescribed Interest Rates](#) webpage

Refunds for double-peak billing from planned outages shall only be issued where the total impact exceeds a defined monetary threshold. The threshold shall apply on a per-event basis, rather than being aggregated across unrelated outages or billing periods. For large commercial and industrial transmission customers, refunds shall only be issued where the event impact exceeds 1% of the customer's previous year's annual transmission delivery charges.

Transmitters are expected to track costs at a sufficient level of detail to assist in a review of the amounts incurred. When transmitter brings amounts forward for disposition, transmitter will file, at minimum, the following information:

- Each of the three UTR charges (i.e., Network Service Rate; Line Connection Service Rate; Transformation Connection Service Rate) tracks the double-peak billing refunds issued to each transmission customer on an annual basis in each sub-account separately.
- The account would track refunds issued to each distributor, for each year.
- The customer who received the refund, including the month and year of the refund when it was issued to the customer.
- The month and year of the outage, or contiguous set of outages, to which the refund applies.

Account 1512 - Sub-account Transmitter-Issued Double-Peak Billing Refunds Incremental Administrative Costs

In Account 1512 - Sub-account Transmitter-Issued Double-Peak Billing Incremental Administrative Costs, transmitters will record the material and incremental administrative costs of determining, documenting, and issuing refunds associated with Double-Peak Billing.

Carrying charges will apply at the OEB's prescribed rates on a quarterly basis.⁸

Transmitters are to dispose the balances of these accounts in a cost-based rate application. Transmitters could also seek disposition in an annual rate application. The OEB will assess any claimed costs recorded in the sub-accounts, when the sub-accounts are requested for disposition, and subject to the usual causation, materiality, and prudence criteria.⁹

⁸ Please refer to the [OEB's Prescribed Interest Rates](#) webpage

⁹ [Filing Requirements for Electricity Distribution Rate Applications - 2025 Edition for 2026 Rate Applications](#), Chapter 2 Cost of Service (Updated May 7, 2025), December 9, 2024, p. 65

Sample Journal Entries

JE#1

Dr. XXXX Account(s) associated with revenue requirement impacts, as applicable
Cr. 1005 Cash / 22XX Payable

To record double-peak billing refunds issued and are agreed upon by the customers or distributors

JE#2

Dr. 1512 Transmitter-Issued Double-Peak Biling Refunds
Cr. XXXX Account(s) associated with revenue requirement impacts, as applicable

To reflect double-peak billing refunds for UTR charges that are agreed upon by the customers or distributors to the deferral account.

JE#3

Dr. 1512 Transmitter-Issued Double-Peak Biling Refunds, Carrying Charges
Cr. 6035 Other Interest Expense

To record the carrying charges on the monthly opening balance in Account 1512 Transmitter Issued double-peak billing Refunds.

JE#4

Dr. 1512 Sub-account Transmitter-Issued Double-Peak Biling Refunds Incremental Administrative Costs
Cr. XXXX Account(s) associated with revenue requirement impacts, as applicable

To record material and incremental administrative costs due to double-peak billing.

JE#5

Dr. 1512 Sub-account Transmitter-Issued Double-Peak Biling Refunds Incremental Administrative Costs, Carrying Charges
Cr. 6035 Other Interest Expense

To record the carrying charges on the monthly opening balance in Account 1512 Sub-account Transmitter Issued Double-Peak Biling Refunds Incremental Administrative Costs.

Appendix B

Accounting Order For Electricity Distributors

The double-peak billing refunds are pass-through transactions, as any other transactions for RSVA 1584 or 1586, when the transmitter and the distributor agree on the basis and the amount of the refund. For double-peak billing charges, the distributor shall only record the agreed-upon refunded amount in these RSVA sub-accounts.¹⁰

Effective January 1, 2026, distributors who are impacted by double-peak billing should establish the following new sub-accounts under Account 1584 and Account 1586 respectively to record the refunds received from transmitters:

- 1) Account 1584 RSVA - Retail Transmission Network Charge, Sub-account Double-Peak Billing Refunds Received from Transmitters
- 2) Account 1586 RSVA - Retail Transmission Connection Charge, Sub-account Double-Peak Billing Refunds Received from Transmitters

Electricity distributors should record the double-peak billing refunds received from their connected transmitters in these sub-accounts. These accounts will also record accrued but yet received refunds which will only reflect agreed-upon refund amounts and there shall be no discrepancy as to the amount of the refund between the parties to the refund.¹¹

Carrying charges will apply at the OEB's prescribed rates on a quarterly basis¹² on the two sub-accounts of Account 1584 and Account 1586.

Distributors are expected to track the double-peak billing refunds at a sufficiently detailed level or category to provide evidence in the rate applications. When the double-peak billing refunds recorded in these two sub-accounts are material, the Decision states that the distributor should confirm the following:

- Distributors shall only record the agreed-upon refunded amounts in these RSVA sub-accounts
- For any accrued refunds that are recorded in these two sub-accounts, the distributor should provide confirmation from the transmitter(s) that the accrued refunds recorded are agreed upon by the transmitter(s).

¹⁰ [Decision and Rate Order, November 27, 2025, EB-2022-0325](#), p. 11

¹¹ Ibid. p. 32

¹² Please refer to the [OEB's Prescribed Interest Rates](#) webpage

As part of the disposition of Group 1 DVAs in the annual rate applications, distributors are expected to provide the sub-account balances under Account 1584 and Account 1586 in the application and evidence.

Sample Journal Entries

JE#1

Dr. 1005 Cash / 11XX Receivable
 Cr. 4714 Charges - NW

To record double-peak billing refund, which are agreed upon by transmitters, received or accrued from transmitters – network.

JE#2

Dr. 4714 Charges - NW
 Cr. Account 1584 RSVA - Sub-account Double-Peak Billing Refunds Received
 from Transmitters

To reflect received or accrued double-peak billing refunds that are agreed upon by transmitters to the double-peak billing sub-account under Account 1584.

JE#3

Dr. 6035 Other Interest Expenses
 Dr. Account 1584 RSVA – Sub-account Double-Peak Billing Refunds Received
 from Transmitters, Carrying Charges

To record the carrying charges on the monthly opening balance in Account 1584 RSVA – Sub-account Double-Peak Billing Refunds Received from transmitters.

JE#4

Dr. 1005 Cash / 11XX Receivable
 Cr. 4716 Charges - CN

To record double-peak billing refund, which are agreed upon by transmitters, received or accrued from transmitters – connection.

JE#5

Dr. 4716 Charges - CN
 Cr. Account 1586 RSVA, Sub-account Double-Peak Billing Refunds Received
 from Transmitters

To reflect received or accrued double-peak billing refunds that are agreed upon by transmitters to the double-peak billing sub-account under Account 1586.

JE#6

Dr. 6035 Other Interest Expenses

Dr. Account 1586 RSVA – Sub-account Double-Peak Billing Refunds Received
from Transmitters, Carrying Charges

*To record the carrying charges on the monthly opening balance in Account 1586 RSVA
– Sub-account Double-Peak Billing Refunds Received from transmitters.*