



LYNNE ANDERSON  
CHIEF COMMISSIONER | COMMISSAIRE EN CHEF

BY EMAIL

April 20, 2023

To: All Rate-Regulated Gas Distributors

All Licensed:

- Electricity Distributors
- Transmitters
- Gas Marketers
- Electricity Retailers
- Sub-Meter Providers
- Independent Electricity System Operator
- Ontario Power Generation
- All Other Interested Parties

**Re: Chief Commissioner 2022-23 Year-End Update**

With the closing of the 2022-23 fiscal year, and as a follow-up to the letter sent to you by CEO Susanna Zagar on April 6, I am pleased to provide a year-end update on the OEB's adjudicative undertakings.

We were driven again this year by our commitment to becoming a top-quartile regulator, and by our desire to exemplify the six traits we've identified as characterizing excellence in regulation: **Accountability, Certainty, Effectiveness, Efficiency, Independence and Innovation.**

One essential tool we use to measure our performance is the **Adjudicative Reporting Dashboard**. Created and first publicly posted in 2021, the Dashboard demonstrates our accountability to the sector by reporting on our achievement of performance standards that promote certainty and predictability for regulated entities. It compares the amount of time we aim to take executing regulatory proceedings with how often we meet those metrics. The Dashboard is now updated twice yearly – at the conclusion of our fiscal year and after our first two quarters.

The Dashboard for the OEB's fiscal year ending March 31, 2023, was posted today, and I am tremendously proud of what it shows, including two completed landmark decisions: the unprecedented **Hydro One transmission and distribution joint rate application for 2023-27** and the **three-year natural gas demand-side management plan for Enbridge Gas Inc.** Both



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proceedings involved the review and assessment of a significant amount of information by both the OEB and our stakeholders, and the resulting decisions were issued within their respective target dates.

### Key Findings for Fiscal 2022-23

- **98%** of the 260-plus decisions issued met or surpassed OEB performance standards. Of those decisions, 49 were issued by a panel of Commissioners and 213 by OEB staff with delegated authority.
- **83%** of decisions were issued more than 14 days early.
- **42** decisions issued this year were for Facilities, which is more than the previous year and was driven by a number of community expansion leave-to-construct and franchise renewal applications.
- **12** rate applications achieved full settlement of the issues without a hearing.
- **35** key regulatory documents, on average, were issued each month, including 42 in April and in September.

The Dashboard metrics provide clear data and effective year-over-year comparisons. The cycle times we strive to meet are both well-informed and ambitious, enabling us to be transparent with regulated entities as we aim to be efficient and effective. However, sometimes they are not achievable. We need to ensure all proceedings are procedurally fair and that we have the information we need to make effective decisions. Please be assured that when we do miss a deadline, we identify the reasons and assess whether process improvements are required. For example, for two quarterly rate adjustment mechanism proceedings that set natural gas commodity prices, the performance standard was missed. This prompted an update that became effective on April 1, 2023, that better reflects the current nature of these proceedings but retains the current timelines of 14 and 21 days for short-form and complex proceedings, respectively.

In that spirit of continuous improvement, we are constantly seeking methods to meaningfully improve our reporting. For 2023-24, the Dashboard will also **specify how often the targeted metric is met for delegated decisions and for panel decisions**, because decisions issued by a Commissioner panel are often more complex.

Other important initiatives undertaken last fiscal year include the **publication of the 8<sup>th</sup> edition of our Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Projects and Facilities in Ontario**. These guidelines, last updated in 2016, provide guidance to project proponents on how to prepare the Environmental Report required for all hydrocarbon project applications. This update refreshes our processes with the Ontario Pipeline Coordinating Committee, which is comprised of provincial ministries and agencies, and provides a co-ordinated approach to the review of hydrocarbon pipeline and natural gas storage projects requiring OEB approval.



Another milestone, **updating the Electricity Leave to Construct Filing Requirements**, enhances the timeliness and efficiency of electricity transmission leave-to-construct and related proceedings. The update brings together the current legislative and policy frameworks applicable to leave-to-construct and expropriation applications, based on OEB practice and informed by comments received from stakeholders.

Our drive to become a top-quartile regulator was also evident in the issuance of our **Action Plan in Response to Stakeholder Comments on the Framework for Review of Intervenor Processes and Cost Awards (Action Plan on Intervenor Processes)**. Intervenor processes are critically important to adjudication, as they can bring valuable views to proceedings that might not otherwise be considered. Our Action Plan identified 11 projects to help improve intervenor processes and make adjudicative processes more efficient and effective. We completed the five near-term projects, which included amendments to the OEB's Rules of Practice and Procedure and new streamlined web-based forms. The remaining six medium-term projects, which include developing guidance around cost awards and examining the Rules of Practice and Procedure around expert evidence, will be completed this year.

A prime example of how the OEB is innovating and modernizing the applications process is the creation of our **new incentive rate-setting mechanism (IRM) online filing platform**. Launched as a pilot project, the new platform replaces Excel-based IRM applications and offers a more streamlined process than previously available. Our goal is to expand the current pilot project from three distributors up to 15 for the coming year, allowing more distributors to file applications quickly and easily.

Another example is the creation of a **streamlined process for renewing licence applications for electricity distributors**. Because many Ontario electricity distributors were licensed by the OEB in the early 2000s, and expiry dates were approaching, we implemented a system whereby we used data from Reporting and Record-keeping Requirements, and the information we gather through rate cases, to create efficiencies and expedite renewals.

Finally, our team of Commissioners grew to 10 this year, with the addition of Fred Cass. Our Commissioners have a **wide breadth of knowledge and experience, and the dedication to excellence that will be necessary as we navigate the energy transition**.

## The year ahead

While our core focus is the effective and timely adjudication of applications filed with the OEB, we will continue to improve the policies and processes that support this adjudication. In addition to the continuation of the Action Plan on Intervenor Processes, there are a number of other initiatives underway.

This year the OEB plans to review and update **the OEB's Handbook to Electricity Distributor and Transmitter Consolidations**. The review, which covers mergers, acquisitions, amalgamations and divestitures will leverage experience to date of our approximately 20



consolidation-related decisions issued since the original Handbook was published, in 2016. The review is expected to identify and address any continuing barriers to consolidation while ensuring that customers are protected.

We are also committed to **updating the Indigenous consultation policies for hydrocarbon pipeline leave-to-construct applications**, which are currently contained in the Environmental Guidelines. We intend to better align the roles and responsibilities of the Ministry of Energy and the OEB in relation to the duty to consult with Indigenous peoples, ensure greater clarity and reflect current best practice. We will engage with and seek feedback from Indigenous community representatives and other interested parties prior to making any updates.

Thank you for your ongoing trust in your independent energy regulator again this year. We are privileged to work with you through our evolution and will continue striving to be seen by you as a top-quartile regulator. I welcome hearing from you, as always, and value your feedback on how we can improve adjudicative policies and procedures at the OEB.

Sincerely,

Lynne Anderson  
Chief Commissioner, Ontario Energy Board

**Additional Resources:**

- [Adjudicative Reporting Dashboard](#)
- [Performance Standards for Processing Applications](#)
- [Delegations under Section 6 of the \*Ontario Energy Board Act, 1998\*](#)
- [Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Projects and Facilities in Ontario](#)
- [Filing Requirements for Transmission and Distribution Applications](#)
- [Action Plan in Response to Stakeholder Comments on the Framework for Review of Intervenor Processes and Cost Awards \(pdf\)](#)
- [Handbook to Electricity Distributor and Transmitter Consolidations \(pdf\)](#)
- [OEB Commissioners](#)

