

**Ontario Energy
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**Commission de l'énergie
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BY E-MAIL AND WEB POSTING

December 20, 2018

**TO: All Rate-regulated Natural Gas Distributors
All Rate-regulated Electricity Distributors
All Electricity Transmitters
Ontario Power Generation Inc.
All Other Interested Parties**

**RE: Report of the OEB: Best Practices regarding Governance of OEB Rate-
Regulated Utilities
Board File No.: EB- 2014-0255**

Today the Ontario Energy Board (OEB) issued its Report of the OEB: Best Practices regarding Governance of OEB Rate-Regulated Utilities (the Report). The Report describes best practices for utility corporate governance and sets out the OEB's new mandatory reporting and record keeping requirements on utility governance.

The OEB has established a performance-based regulatory framework focused on utilities achieving outcomes that deliver value to customers. The OEB views good corporate governance as a significant contributor to utility performance and an important indicator of a utility's capability in achieving the expectations embedded in the Renewed Regulatory Framework.

The release of this Report brings to a close work conducted in the past few years in relation to corporate governance for OEB rate-regulated utilities. Two experts, KPMG and Elenchus, were retained to prepare reports which provided the OEB with recommendations for utility governance. The Report was also informed by multiple rounds of stakeholder consultations and stakeholder input on the OEB's [Draft Report](#) of the Board, released earlier this year.

Next Steps

To support the implementation of the reporting policy envisioned in the report, the OEB will hold a consultation in 2019 on its proposed amendments to the *Electricity Reporting and Record Keeping Requirements* and the *Natural Gas Reporting & Record Keeping Requirements: Rule for Gas Utilities*.

The OEB will require initial baseline reporting in 2020 from all rate-regulated utilities for the 2019 calendar year.

Input on the changes to the RRR will be solicited from all interested parties. The OEB will then publish the final amendments to the electricity and natural gas RRR to reflect new reporting and record-keeping requirements related to utility governance.

All reports related to this consultation are available for viewing on the OEB's website.

Questions about this consultation should be directed to Rachele Levin at rachele.levin@oeb.ca or 416-440-7673. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary