



Ontario Energy Board

Filing Requirements For Electricity Distribution Rate Applications - 2015 Edition for 2016 Rate Applications -

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Ontario Energy Board

Commission de l'énergie de l'Ontario



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Filing Requirements For
Electricity Distribution Rate Applications
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Chapter 1

Overview

July 16, 2015

Chapter 1 Overview

This document provides information about the filing requirements for electricity distribution rate applications. It is designed to provide direction to applicants, and it is expected that applicants will file applications consistent with the filing requirements. If circumstances warrant, the OEB may require an applicant to file evidence in addition to what is identified in the filing requirements.

The filing requirements apply only to electricity distributors. Unless specifically identified, the words “utility”, “utilities”, “applicant” or “applicants”, in this document refer to electricity distributors.

Transmitters should consult the January 2, 2014 edition of the filing requirements for transmitters for guidance on rate applications.

References to a “party” or “parties” may, depending on the context, refer to the applicant, OEB staff and any registered intervenors, either individually or collectively.

Renewed Regulatory Framework for Electricity

On October 18, 2012, the OEB released its *Report of the Board, Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach* (the RRFE Report) which introduced three rate-setting methods: (1) 4th Generation Incentive Rate-setting (now called “Price Cap IR”), (2) Custom IR and (3) Annual IR Index.

Chapters Included in this Filing Requirements Document

This Filing Requirements document sets out the information that must be included in a distribution rate application.

Chapter 1 outlines generic procedural matters and certain expectations of the OEB from parties participating in the adjudication and rate-setting processes pursuant to Chapters 2, 3 and 5.

Chapter 2 details the filing requirements for a cost of service rate application based on a forward test year that the OEB will require from an electricity distribution company.

Chapter 3 details the filing requirements under the incentive regulation mechanism. This approach will be used for electricity distributors when there is no requirement to file a cost of service rate application. Chapter 3 includes specific guidance on requirements related to both the Price Cap IR and Annual IR Index approaches.

Chapter 5, which was issued by the OEB on March 28, 2013, *Consolidated Distribution System Plan Filing Requirements*, sets out filing requirements for consolidated

distribution system plans (DSPs). These filing requirements outline the information required by the OEB to assess a distributor's planned expenditures on distribution system and other infrastructure. The OEB requires every distributor to file a five-year DSP at least once every five years.

Distributors must review this Chapter and its cover letter, regardless of which rate-setting option they are contemplating, to ensure that they are meeting the specific requirements of this Chapter, which are applicable to all rate-setting methods listed above.

Completeness and Accuracy of an Application

An application to the OEB must provide sufficient detail to enable the OEB to make a determination as to whether the proposals are reasonable. The onus is on the applicant to substantiate the need for and reasonableness of the costs that are the basis of proposed new rates. A clearly written application that demonstrates the need for the proposed rates, complete with sufficient justification for those rates, is essential to facilitate an effective regulatory review and a timely decision. The filing requirements provide the minimum information that an applicant must file for a complete application. However, an applicant should provide any additional information that is necessary to justify all of the approvals being sought in the application.

The OEB's examination of an application and its subsequent decision are based on the evidence filed in that case. This regulatory process ensures that all interested parties to the proceeding have an opportunity to see the entire record, participate meaningfully in the proceeding and understand the reasons for a decision. Consequently, a complete and accurate evidentiary record is essential.

The purpose of the interrogatory process is to test the evidence before the OEB, and not to seek information that should have been provided in the original application. The OEB will consider an application complete if it meets all of the applicable filing requirements.

Applications must be accurate, and information and data presented must be consistent across all exhibits, appendices and models. If an application does not meet all of these requirements, or if there are inconsistencies identified in the information or data presented, the OEB may put the application in abeyance, unless satisfactory justification for missing or inconsistent information has been provided or until revised satisfactory evidence is filed.

Certification of Evidence

An application filed with the OEB must include a certification by a senior officer of the applicant that the evidence filed is accurate, consistent and complete to the best of his or her knowledge.

Updating an Application

When material changes or updates to an application or other evidence are necessary, a thorough explanation of the changes must be provided, along with revisions to the affected evidence and related schedules. This process is contemplated in Rule 11.02 of the *Rules of Practice and Procedure* (the Rules). When these changes or updates are contemplated in later stages of a proceeding, updates should only be done if there is a material change to the evidence already before the OEB. Rule 11.03 states that any such updates should clearly indicate the date of the revision and the part(s) revised.

Interrogatories

The OEB is aware of the number of interrogatories that the regulatory review process can generate. The OEB advises applicants to consider the clarity, completeness and accuracy of their evidence in order to reduce the need for interrogatories. The OEB also advises parties to carefully consider the relevance and materiality of information before requesting it through interrogatories.

It is the OEB's expectation that parties will not engage in detailed exploration of items that do not appear to be material. For rate applications, parties should be guided by the materiality thresholds documented in Chapters 2 and 3 in assessing what is material. The OEB will consider at the cost award stage of the process whether or not specific intervenors have engaged in excessively detailed exploration of non-material issues, and may reflect this in its decision on cost awards.

Parties must consult Rules 26 and 27 of the OEB's *Rules of Practice and Procedure*, April 24, 2014 revision, for additional information on the filing of interrogatories and responses, and matters related to such filings.

Confidential Information

The OEB relies on full and complete disclosure of all relevant material in order to ensure that its decisions are well-informed. The OEB's expectation is that applicants will make every effort to file material contained in an application publicly and completely, and without redactions in order to ensure the transparency of the review process. The OEB's Rules and the *Practice Direction on Confidential Filings* (the Practice Direction) allow for applicants and other parties to request that certain evidence be treated as

confidential. Where such a request is made participants are expected to review and follow the Practice Direction.

The OEB and parties to a proceeding are required to devote additional resources to the administration, management and adjudication of requests for confidentiality and confidential filings. Parties must ensure that filings for which they request confidential treatment are clearly relevant to any matter at issue in the proceeding, whether the information is being filed as part of an application, as an exhibit, in response to an interrogatory or as an undertaking. A list of the types of information that the OEB has previously assessed or maintained as confidential is set out in Appendix B of the Practice Direction. This list is illustrative only and the OEB will make a determination on the merits in each case.

Parties should also take note of the requirements related to relevance of interrogatories outlined in this chapter, which are also applicable to information which is requested and raises confidentiality concerns. Parties should give particular attention to the relevance of any information requested by interrogatories in relation to confidential filings given the administrative issues associated with the management of those filings.

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