

**Ontario Energy Board**  
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**Commission de l'énergie de l'Ontario**  
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April 1, 2016

**To: Regulated Entities Subject to the OEB's Cost Assessment**

**Re: Assessment for the Three Month Period from April 1 to June 30, 2016**

Dear Sir/Madam:

As set out in its February 9, 2016 letter, the Ontario Energy Board (the OEB) has revised its Cost Assessment Model (CAM), the methodology used to apportion its costs under section 26 of the *Ontario Energy Board Act, 1998* (the Act). The persons or classes of persons that are liable to pay the OEB's costs under section 26(1) of the Act are set out in Ontario Regulation 16/08.

The CAM can be viewed on the OEB's website at:

[http://www.ontarioenergyboard.ca/oeb/Documents/Documents/Cost\\_Assessment\\_Model.pdf](http://www.ontarioenergyboard.ca/oeb/Documents/Documents/Cost_Assessment_Model.pdf)

The following three factors have a significant impact on the change in cost allocation for payor classes:

1. Updating the OEB's direct cost allocations (staff time and Market Surveillance Panel cost) to align with the OEB's mandate.
2. Updating of electricity distribution and gas distribution intra-class allocations from a revenue based allocation to a customer number based allocation to better reflect alignment of regulatory costs and drive value to consumers.
3. This is the fourth year of the five year phase-in period to treat retailers and marketers consistently with all other classes of payors.

Attached to this letter is your cost assessment invoice for payment to the OEB. This assessment forms part of the revenue to fund the capital and operating expenditures of the OEB. Your assessment is divided into four quarters starting with this period, April 1 to June 30, 2016. Payment for each assessment is due 30 days from the date of the invoice. The assessment for the third and fourth quarters will be adjusted to take into account any surplus or deficit the OEB incurs for the 2015-16 fiscal year relative to its 2015-16 approved budget.

As stated in the February 9, 2016 letter, the following variance account has been setup for electricity distributors and transmitters to record any material differences between OEB cost assessments currently built into rates and cost assessments that will result from the application of the new CAM:

- *Account 1508 Other Regulatory Assets, Sub-account OEB Cost Assessment Variance*
- Note: the offsetting entry to this account shall be to Account 5655, Regulatory Expenses.

The OEB has also authorized the establishment of a similar variance account by natural gas distributors, OPG and the IESO.

The February 9, 2016 letter can be viewed on the OEB's website at:

<http://www.ontarioenergyboard.ca/OEB/Industry/Media+Room/Publications/Corporate+Information+and+Reports#costassessment>

Any questions can be directed to John Moon at [john.moon@ontarioenergyboard.ca](mailto:john.moon@ontarioenergyboard.ca) or (416) 440-7748.

Sincerely,

*Original signed by*

Julie Mitchell  
Vice President  
People, Culture & Business Solutions| Ontario Energy Board

Attachment: Invoice dated April 1, 2016