



**Ontario Energy Board**

Commission de l'énergie de l'Ontario

# **Preliminary Assessment of the Gas Incentive Regulation Plans (EB-2011-0052)**

Staff Presentation for Stakeholder Meeting – April 29, 2011

- Overview
- Topics for Discussion
- Next Steps

- Today:
  - Seek input and views of stakeholders on:
    - Trend analysis before and during IR plan
    - Indicators to measure utility results
    - Approaches to develop productivity trends
    - Challenges and opportunities
- September 2011:
  - Consultant report issued. This report will be filed in utilities' upcoming rate proceedings.
  - Staff Report to the Board issued

## Topics for Discussion – Appropriate Indicators (#1)

- Prices for residential consumers (e.g., Enbridge's rate 1 and Union's rate M1)
- Service Quality Requirements (RRR 2.1.9)
- Financial Indicators (as outlined in the yearbook)
- Productivity estimates
- Others?

# Topics for Discussion – Sharing of Benefits / Earnings (#2)

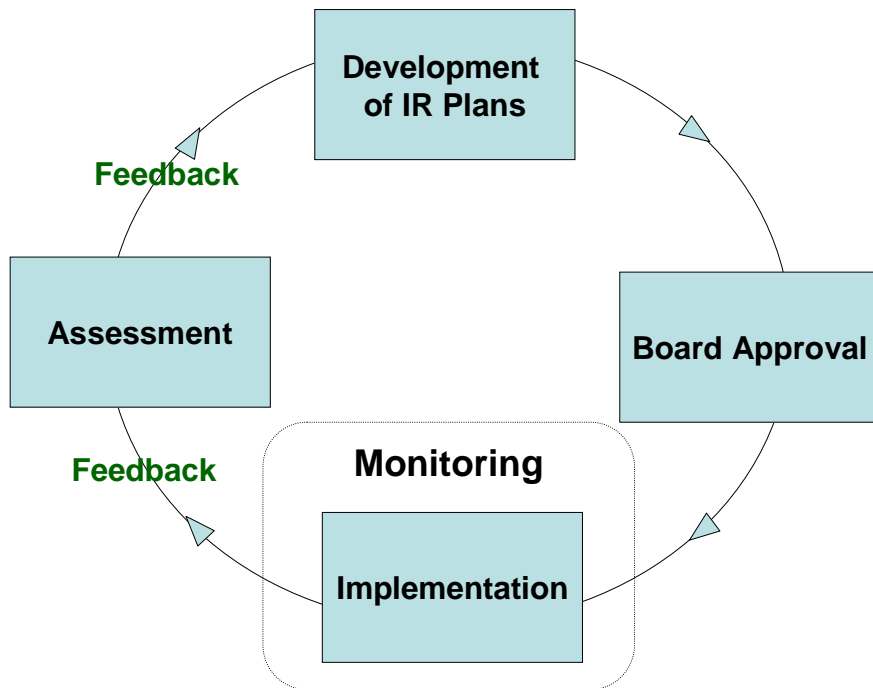
- Cost trends
  - Sustainable efficiency improvements
- ESM
  - Sharing of efficiencies
- Others?

## Topics for Discussion – Elements of Plans (#3)

- Review utility trends and compare to peer group:
  - AU factor
  - Productivity estimates
- Compare elements with incentive regulation precedents:
  - Z factor
  - Y factor
  - Off ramp provision
  - Length of plan
  - Inflation factor (Can GDP-IPI)
- Others?

- RRR information:
  - ESM information (2.1.5)
  - Customer additions – actual vs. forecasts (2.1.11)
  - Filings outlined in settlement agreements (EB-2007-0606 / 0615)
- Is this adequate? Other reports?

# Topics for Discussion – Appropriate Process (#5)



- How should the Board further integrate assessment of company results into the regulatory cycle (e.g., criteria assessment established upfront)?
- Do the Annual Reports published by the Board facilitate a meaningful comparison of company performance? Could improvements be made?
- Others?



- Treatment of capital spending as per Enbridge's letter dated March 11, 2011 ([http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/search/rec&sm\\_udf10=eb-2011-0052&sortd1=rs\\_dateregistered&rows=200](http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/search/rec&sm_udf10=eb-2011-0052&sortd1=rs_dateregistered&rows=200))
- Others?

- Data requests (1<sup>st</sup> week of May)
- Staff assessment plan posted (mid-May)
  - Summary of staff's presentation and stakeholder feedback at today's meeting