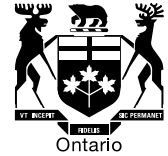


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VIA E-MAIL AND WEB POSTING

March 28, 2013

**To: All Participants in Renewed Regulatory Framework for Electricity Consultations EB-2010-0377, EB-2010-0378, EB-2010-0379, EB-2011-0043 and EB-2011-0004
All Licensed Electricity Distributors
All Other Interested Parties**

**Re: Issuance of *Filing Requirements for Electricity Transmission and Distribution Applications*; Chapter 5 – Consolidated Distribution System Plan Filing Requirements
Board File Number EB-2010-0377**

Today the Board issued Chapter 5 of the Board's *Filing Requirements for Electricity Transmission and Distribution Applications*, entitled '[Consolidated Distribution System Plan Filing Requirements](#)'. Chapter 5 implements the Board's policy direction on 'an integrated approach to distribution network planning', set out in the Board's October 18, 2012 [Report of the Board - A Renewed Regulatory Framework for Electricity Distributors: A Performance Based Approach](#).

Chapter 5 was prepared with advice and input from a Working Group of eleven stakeholders. The Board wishes to express its appreciation for their efforts and contributions.

Application and time of filing

Chapter 5 applies to licenced, rate regulated electricity distribution utilities in Ontario filing a cost of service application for the rebasing of their rates under the 4th Generation IR or a Custom IR application. Distributors proposing to use the 'Annual IR Index' method for 2014 rates are not required to use Chapter 5 when filing an application. However, any distributor using the 'Annual IR Index' method must make a Chapter 5 filing within five years of the date of the most recent Board decision approving their rates in a cost of service proceeding; and is required to do so at five year intervals thereafter while using the Annual IR Index method. The Board may also require a

Chapter 5 filing in relation to leave to construct, Incremental Capital Module or Z-factor applications.

Transitioning to Chapter 5

Under the renewed regulatory framework for electricity, a distributor's investments to accommodate and connect renewable energy generation and to develop and implement a smart grid are integral to its overall capital expenditure plan. Consequently, for future distributor filings as indicated above, the Board's [Filing Requirements: Distribution System Plans – Filing under Deemed Conditions of Licence](#) will no longer apply. However, distributors who have yet to file under Chapter 5 will, where applicable, continue to be able to record renewable energy generation costs and smart grid demonstration costs, in the deferral accounts that have been established for that purpose.

Within the next few months, amendments to Chapter 2 of the Board's *Filing Requirements for Electricity Transmission and Distribution Applications* for cost of service rate applications will be issued, including those changes required to complement Chapter 5.

At the same time, the Board will re-issue the Report of the Board - *Framework for Determining the Direct Benefits Accruing to Customers of a Distributor under Ontario Regulation 330/09*, revised to reflect the Board's policy direction on an integrated approach to distribution network planning.

Future outreach on implementation

The Board intends to schedule meetings over the spring/summer period to address any questions distributors may have on Chapter 5 or on any of the planning related instruments issued by the Board to implement the renewed regulatory framework for electricity.

In the interim, questions about Chapter 5 or any of the Board's *Filing Requirements* can be directed to:

- the Market Operations Hotline at 416-440-7604; or
- by e-mail to market.operations@ontarioenergyboard.ca.

DATED at Toronto, March 28, 2013

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary