

**Ontario Energy
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**Commission de l'énergie
de l'Ontario**

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VIA E-MAIL AND WEB POSTING

October 13, 2016

To: All Rate Regulated Utilities
All Other Interested Parties

Re: Handbook for Utility Rate Applications

Today the OEB posted on its website a Handbook to provide guidance to utilities and stakeholders on applications to the OEB for approval of rates. The Handbook outlines the key principles and expectations the OEB will apply when reviewing rate applications. The Handbook is applicable to all rate regulated utilities, including electricity distributors, electricity transmitters, natural gas utilities, and Ontario Power Generation.

In 2012, the OEB established the *Renewed Regulatory Framework for Electricity* (the RRFE) that articulates the OEB's goal for an outcomes-based approach to regulation which aligns the interests of customers and utilities. The RRFE framework was effective with May 1, 2014 rates. Commencing in the spring of 2015, the OEB engaged in discussions with stakeholders on how the OEB could improve its assessment of applications under the new framework following the review of the initial set of applications. This Handbook was informed by the OEB's decisions issued to date under the RRFE, as well as discussions with stakeholders over the course of the last 18 months.

Although the RRFE was developed specifically for electricity distributors, the OEB has for some time indicated that the principles underpinning the RRFE are applicable to all regulated utilities. The OEB expects utilities to file rate applications consistent with this Handbook unless a utility can demonstrate a strong rationale for departing from it.

The OEB will continue to maintain filing requirements for cost of service applications. These filing requirements assist utilities by identifying the specific information that needs to be provided in an application. Utilities must continue to meet these requirements in addition to filing applications consistent with this Handbook.

A Custom IR application is by its very nature custom, and therefore no specific filing requirements have been established. However, any utility filing a Custom IR application should be informed by the cost of service filing requirements and this Handbook. The Handbook sets out the OEB's minimum standards for certain key elements of Custom IR applications.

This Handbook has been issued on a final basis. The OEB will convene a meeting on October 27, 2016 in the OEB's West Hearing Room to provide an opportunity for interested stakeholders to ask OEB staff clarifying questions about the Handbook. The OEB is affording this opportunity for the benefit of utilities that are preparing or about to commence the preparation of their next cost of service or custom IR applications, and any other interested stakeholders. Interested stakeholders not able to attend in person may participate by way of the OEB's conference line.

Interested stakeholders are required to register by October 20, 2016 to June Colman at june.colman@ontarioenergyboard.ca and must identify whether they will be attending in person or by way of conference call. Information for the conference call and any other details for the meeting will be communicated to registrants shortly before the meeting.

Questions on the October 27 meeting can be addressed to Ted Antonopoulos at theodore.antonopoulos@ontarioenergyboard.ca or 416-440-8137.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

Attachment: