

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



VIA E-MAIL AND WEB POSTING

July 12, 2018

To: Licensed Electricity Distributors

**Re: I. Updated Filing Requirements
II. Process for 2019 Incentive Regulation Mechanism (IRM) Distribution Rate Applications**

Today, the OEB issued [updates](#) to its *Filing Requirements for Electricity Distribution Rate Applications: Chapter 1 – Overview, Chapter 2 – Cost of Service, Chapter 3 – Incentive Rate-Setting and Chapter 5 - Consolidated Distribution System Plan*. These filing requirements outline the information that the OEB requires an electricity distributor to file when it makes an application under the rate-setting methods set out in the *Handbook for Utility Rate Applications*. Working versions of certain models and schedules to Chapter 2 and Chapter 5 have also been posted. In addition, the rate generator model, which accompanies a Price Cap IR or Annual IR index application under Chapter 3 of the filing requirements, has also been posted. All remaining models will be available by August 31, 2018.

I. Updated Filing Requirements

Updates to Chapters 1, 2 and 5 will be discussed at the 2019 cost of service Orientation Session to be held on July 19, 2018 for distributors filing for 2019 or 2020 rates.

A webinar will be held on July 23, 2018, at 10:00 am to review changes to the IRM process, and updates to Chapter 3 and the accompanying rate generator model. The webinar will also include a review of the new account 1595 workform for those distributors not attending the cost of service orientation session on July 19, 2018. Invitations with login information have been sent to all electricity distributors via email. Participants are invited to submit any questions in advance to ratemodels@oeb.ca.

The OEB will also be holding a webinar on July 17, 2018 at 10:00 am with respect to the Global Adjustment Analysis Workform for all electricity distributors. OEB staff will provide details on the changes made to the workform for the 2019 rate year and provide guidance on completing the workform. Invitations with login information have been sent to all electricity distributors via email.

Commencing with 2014 rates, the OEB established an updated productivity and stretch factor methodology. The OEB is extending the current base productivity factor to 2019 rates as well as the current methodology and process for establishing the stretch factor groupings.

The OEB will establish the final inflation factor and stretch factor to apply to distributors for the 2019 rate year in due course. The rate generator will initially include rate-setting parameters from the 2018 rate year as a placeholder. OEB staff will adjust the rate generator once updated rate-setting parameters are available.

II. Process for 2019 IRM Distribution Rate Applications

As a means of managing the Price Cap and Annual Index applications, the OEB has established four filing dates for distributors. The application filing deadlines for each group were determined so that, in the normal course of events, a decision would be issued in time for a January 1 or May 1 implementation date.

The application groupings are as follows:

Tranche	Application Filing Deadline
1	August 13, 2018
2	September 24, 2018
3	October 15, 2018
4	November 5, 2018

Tranche 1 is for those distributors applying for a January 1, 2019 effective date for rates. Applicants for May 1 rates have been assigned to one of three filing dates (tranche 2, 3, or 4) based on the expected level of complexity of the application as determined through applicants' responses to a survey conducted in May. The attached table lists the assignment of electricity distributors to each of the tranches.

If a distributor with an effective date for rates of May 1 that is placed in tranche 3 or tranche 4 contemplates a material increase to the complexity of its application relative to the information it provided in the survey, it should advise the OEB and is encouraged to file in Tranche 2.

The attached table includes the following distributors that are scheduled to file a cost of service application for 2019 rates but have requested the OEB's permission to defer those applications to 2019, for 2020 rates:

- Bluewater Power Distribution Corporation
- Burlington Hydro Inc.
- Collus PowerStream Corporation
- Fort Frances Power Corporation
- Greater Sudbury Hydro Inc.

- Kitchener-Wilmot Hydro Inc.
- Oakville Hydro Electricity Distribution Inc.
- Orangeville Hydro Limited
- Peterborough Distribution Inc.

The OEB has included these distributors on the attached table in order to assist them in determining the tranche in which each will be placed and the corresponding deadline for filing its application in the event that a deferral is granted. The inclusion of these distributors on the attached table should not be construed in any way as determinative of their deferral requests in advance of a response from the OEB to that request.

The OEB expects applicants to submit all filings with the OEB by 4:45 pm on the applicable filing deadline.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary
Encl

Table 1

Company	EB Number	Tranche	Filing Date
Algoma Power Inc.	EB-2018-0017	1	Aug. 13
Brantford Power Inc.	EB-2018-0020	1	Aug. 13
Canadian Niagara Power Inc.	EB-2018-0022	1	Aug. 13
Centre Wellington Hydro Ltd.	EB-2018-0023	1	Aug. 13
Cooperative Hydro Embrun Inc.	EB-2018-0026	1	Aug. 13
Entegrus Powerlines Inc.	EB-2018-0024	1	Aug. 13
Festival Hydro Inc.	EB-2018-0032	1	Aug. 13
Grimsby Power Inc.	EB-2018-0035	1	Aug. 13
Guelph Hydro Electric Systems Inc.	EB-2018-0036	1	Aug. 13
Hydro Hawkesbury Inc.	EB-2018-0040	1	Aug. 13
Hydro One Networks Inc. (Norfolk, Haldimand and Woodstock)**	EB-2018-0042	1	Aug. 13
Innpower Corporation	EB-2018-0045	1	Aug. 13
Kitchener-Wilmot Hydro Inc.***	EB-2018-0048	1	Aug. 13
Lakefront Utilities Inc.	EB-2018-0049	1	Aug. 13
Oakville Hydro Electricity Distribution Inc.***	EB-2018-0059	1	Aug. 13
Renfrew Hydro Inc.	EB-2018-0064	1	Aug. 13
Waterloo North Hydro Inc.	EB-2018-0074	1	Aug. 13
Westario Power Inc.*	EB-2018-0078	1	Aug. 13
Whitby Hydro Electric Corporation*	EB-2018-0079	1	Aug. 13
Burlington Hydro Inc.***	EB-2018-0021	2	Sept. 24
EnWin Utilities Ltd.*	EB-2018-0029	2	Sept. 24
Fort Frances Power Corporation***	EB-2018-0033	2	Sept. 24
London Hydro Inc.	EB-2018-0051	2	Sept. 24
Newmarket-Tay Power Distribution Ltd.*	EB-2018-0055	2	Sept. 24
North Bay Hydro Distribution Limited	EB-2018-0057	2	Sept. 24
Northern Ontario Wires Inc.	EB-2018-0058	2	Sept. 24
Orangeville Hydro Limited* ***	EB-2018-0060	2	Sept. 24
Ottawa River Power Corporation	EB-2018-0063	2	Sept. 24
PUC Distribution Inc.	EB-2018-0219	2	Sept. 24
Veridian Connections Inc.	EB-2018-0072	2	Sept. 24
Wasaga Distribution Inc.*	EB-2018-0073	2	Sept. 24
Atikokan Hydro Inc.	EB-2018-0018	3	Oct. 15
Erie Thames Powerlines Corporation	EB-2018-0030	3	Oct. 15
Halton Hills Hydro Inc.	EB-2018-0037	3	Oct. 15
Hearst Power Distribution Company Limited	EB-2018-0038	3	Oct. 15
Midland Power Utility Corporation	EB-2018-0052	3	Oct. 15
Milton Hydro Distribution Inc.	EB-2018-0053	3	Oct. 15
Niagara Peninsula Energy Inc.	EB-2018-0054	3	Oct. 15
Rideau St. Lawrence Distribution Inc.	EB-2018-0065	3	Oct. 15
Thunder Bay Hydro Electricity Distribution Inc.	EB-2018-0069	3	Oct. 15

Tillsonburg Hydro Inc.*	EB-2018-0070	3	Oct. 15
Welland Hydro-Electric System Corp.	EB-2018-0075	3	Oct. 15
West Coast Huron Energy Inc.*	EB-2018-0077	3	Oct. 15
Bluewater Power Distribution Corporation***	EB-2018-0019	4	Nov. 5
COLLUS PowerStream Corp.***	EB-2018-0025	4	Nov. 5
E.L.K. Energy Inc.*	EB-2018-0027	4	Nov. 5
Essex Powerlines Corporation	EB-2018-0031	4	Nov. 5
Greater Sudbury Hydro Inc.***	EB-2018-0034	4	Nov. 5
Hydro 2000 Inc.	EB-2018-0039	4	Nov. 5
Hydro One Remote Communities Inc.	EB-2018-0043	4	Nov. 5
Kenora Hydro Electric Corporation Ltd.*	EB-2018-0046	4	Nov. 5
Orillia Power Distribution Corporation**	EB-2018-0061	4	Nov. 5
Peterborough Distribution Incorporated***	EB-2018-0067	4	Nov. 5
Sioux Lookout Hydro Inc.	EB-2018-0066	4	Nov. 5
Wellington North Power Inc.	EB-2018-0076	4	Nov. 5

* These distributors have indicated in the IRM survey they will be filing an Annual IR Index application.

** These distributors are not filing for a base rate increase.

*** These distributors have requested deferrals of their cost of service applications for 2019 rates,