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Energy  
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BY EMAIL and WEB POSTING

May 14, 2020

**To:** Rate-regulated Electricity Distributors  
All Other Interested Stakeholders

**Re: Updated Filing Requirements for Electricity Distribution Rate Applications**

Today, the Ontario Energy Board (OEB) issued a consolidated and updated version of its *Filing Requirements for Electricity Distribution Rate Applications* (Filing Requirements) in advance of the filing of applications for 2021 rates.

This version of the Filing Requirements:

- Integrates the material included in the July 15, 2019 *Addendum to Filing Requirements for 2020 Rate Applications* (2019 Addendum), in response to stakeholder feedback indicating a preference for minimizing the number of source documents that distributors need to consider when preparing rate applications
- Includes minor revisions as described below

### **Overview of Updates to the Filing Requirements**

The OEB has updated the Filing Requirements with minor revisions that account for the passage of time since the issuance of the 2019 Addendum.

Chapters 1 and 5 have been updated only to revise relevant dates.

More substantial updates have been made to Chapters 2 and 3 in the following areas:

- Working Capital: Cost of Power update to incorporate updated Regulated Price Plan prices and the Ontario Electricity Rebate
- Conservation and demand management: Further clarification on the approach to adjustments to the load forecast and supporting information required for the disposition of the lost revenue adjustment mechanism variance account in light of the early termination of the Conservation First Framework

- Standby rates: Expectation that distributors propose finalization of current interim rates subject to proper notice being provided to affected customers
- Accounting: Clarification on the approach to incorporating the impacts arising from the accelerated Capital Cost Allowance initiative, revised timing of eligibility for disposition for Account 1595, and incorporation of other accounting guidance issued subsequent to the 2019 Addendum.

These changes are noted on the tracked changes versions of Chapters 2 and 3 that have also been posted, to enable distributors to more readily identify the changes.

The OEB has also posted to its website working versions of all models and schedules to Chapters 2, and 5, with the exception of the Global Adjustment Analysis Workform with Instructions and the COS Checklist, which will be posted shortly. The Benchmarking Spreadsheet Forecasting Model will be posted in due course. In addition, the OEB will post working versions of all models related to Chapter 3 in mid-July 2020.

Consistent with the *Handbook for Utility Rate Applications*, distributors filing a Custom IR application should be informed by the updated version of Chapter 2.<sup>1</sup>

### **Treatment of COVID-related Impacts**

In updating the Filing Requirements, impacts arising from the COVID-19 emergency have not been taken into account. This is consistent with the fact that applications filed under the Price Cap IR rate-setting option as set out in the Filing Requirements are single test year applications, with the test year forming the basis for a distributor's revenue requirement for the entire five year rate-setting term subject to any incentive rate-setting adjustments for the outer years.

The OEB anticipates that any impacts of the COVID-19 emergency on bridge years and beyond as they relate to the Filing Requirements will be discussed at the Orientation Session described below. In the interim, the OEB is also assessing the impact of the COVID-19 emergency on distributors more generally.<sup>2</sup>

### **Orientation Session and Other Matters**

The OEB will provide an overview of Chapters 1, 2 and 5 at the annual Orientation Session, which is anticipated to be held in June for all distributors filing for 2021 or 2022

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<sup>1</sup> Page 25 of the *Handbook for Utility Rate Applications* states as follows: "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."

<sup>2</sup> The OEB expects to hold a stakeholder consultation in relation to the COVID-19 deferral accounts beginning in spring 2020.

rates. Further details on the scheduling of the Orientation Session will be provided as they become available.

Information on the process for 2021 incentive rate-setting applications (under Price Cap IR or Annual IR Index), including filing dates for distributors and information sessions, will be communicated separately.

The OEB intends to conduct a full review of Chapters 2 and 5 of the Filing Requirements in consultation with stakeholders with a view to identifying opportunities for regulatory efficiency that could be implemented for future cost of service rate applications. Further information on this initiative will be provided in due course.

Any questions relating to this letter should be directed to the OEB's Industry Relations Enquiry e-mail at [IndustryRelations@oeb.ca](mailto:IndustryRelations@oeb.ca). Please include "2021 Filing Requirements" in the subject line.

Yours truly,

*Original signed by*

Christine E. Long  
Registrar and Board Secretary