



Ontario  
Energy  
Board | Commission  
de l'énergie  
de l'Ontario

BY EMAIL AND WEB POSTING

March 31, 2020

To: All Licensed Electricity Distributors  
All Other Interested Parties

Re: **2020 Annual Reporting and Record-Keeping Requirements (RRR) for Electricity Distributors**

In its March 19, 2020 [letter](#), the Ontario Energy Board (OEB) extended the deadline for annual [Reporting and Record-Keeping Requirements \(RRR\)](#) filings for the 2019 fiscal year to **June 01, 2020**. This letter identifies amendments that have been made to the RRRs, improvements to the RRR forms and instructions to distributors on completing RRR submissions. The annual RRR input forms for completing the filings are now available in the [RRR Filing portal](#).

The OEB wishes to stress the importance that RRR data be filed accurately to support the OEB's regulatory functions. In particular accurate and timely filing is necessary to support the benchmarking of performance and stretch factor calculations for the purpose of Incentive Rate Mechanism rate applications. The RRR data also provides consumers, industry, and other stakeholders important information on distributors' operations through the publication of the distributor scorecard and the yearbook. Distributors are reminded that completion of the RRR submissions is required as a condition of their distribution licence. To ensure a high quality of reported data, distributors are expected to have quality controls in place including undertaking their own detailed validation and assurance reviews prior to data submission.

### **Amendments to RRR**

In its January 23, 2020 [letter](#) the OEB indicated it was planning a broader review of the RRR, the goal being to improve the regulatory effectiveness of data filed by distributors while identifying opportunities for reduced reporting requirements. Changes were announced at that time to the major event response reporting which reduced the number of questions asked while improving the clarity and consistency of responses.

Since then OEB staff have undertaken further analysis of existing RRR data and identified further opportunities for streamlining reporting requirements to improve overall efficiency and effectiveness of the RRR.

#### RRR 2.1.1 Reporting on Commodity Deferral and Variance Accounts

Historically the [Ontario Energy Board Act, 1998](#) (Act) had required the OEB to determine if amounts recorded commodity deferral accounts should be reflected in rates on a quarterly basis<sup>1</sup>. Changes to the Act have allowed the OEB more discretion to determine when these amounts should be reflected in rates. To ensure effective regulation of the sector while minimizing the reporting requirements of distributors, the OEB has determined that reporting this information on a quarterly basis is no longer required as rate setting will continue to be done using the trial balance information provided in RRR 2.1.7.

#### RRR 2.1.2 Reporting on Customer Numbers

This RRR data is used by OEB staff for the setting of Regulated Price Plan (RPP) prices. Historical analysis has been conducted to determine the impact of using only annual data (as opposed to quarterly) on those calculations and determined that there is a negligible difference in results. As a result, the OEB has determined that only customer numbers reported annually at the end of February are necessary for the RPP price setting process. Since customer numbers were recently reported in the Q4 filings to reflect 2019 year end customer counts, no further reporting on customer numbers in 2.1.2 will be required until the Q4 filing is due in February 2021.

#### RRR 2.1.5.5 Reporting on Utility Characteristics

To improve the consistency of data reported between distributors, section (e) Circuit Kilometers of Line has been amended to differentiate between primary and secondary lines. Length of primary overhead and underground lines are required to be reported, while reporting of secondary lines is now optional. The total length of lines is now automatically calculated and will include the secondary lines if provided. No changes have been made to the way in which the total length of lines is used by the OEB for any analysis.

### **Amendments to the RRR Filing Guide and Input Forms**

OEB staff has made changes to improve the effectiveness of RRRs and issued an updated [2020 RRR Filing Guide](#) (Guide) to assist distributors in efficiently completing their submission. The updated guide reflects the changes to the RRR and new filing

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<sup>1</sup> Section 78 (6.1)

instructions for existing reporting requirements. The Guide also provides distributors with guidance on improving the accuracy of RRR reporting and data quality assurance based on OEB staff's findings from data quality reviews of past RRR filings. A summary of changes to this version can be found on page #5 of the guide.

### **Merged Entities**

For entities which have merged in the fiscal 2019 year, RRR data must be submitted for the newly merged entity and no longer needs to be reported for the predecessor entities.

To assist recently merged entities with their distributor scorecard, OEB staff have worked to consolidate historical scorecard measures where possible and will be providing a copy of the merged scorecard via email shortly. The email will also contain further direction on how to consolidate the remaining historical measures and when they need to be provided by.

### **Publicly Traded Securities (RRR 2.1.20 & 2.1.21)**

Distributors must submit their Publicly Traded Securities (PTS) report in Excel format to [the OEBs Secure File Transfer Protocol \(SFTP\)](#) server. All distributors will soon receive an email with the PTS Excel form along with filing instructions.

Any questions relating to this letter should be directed to [IndustryRelations@oeb.ca](mailto:IndustryRelations@oeb.ca), or by phone at 1-877-632-2727.

Yours truly,

*Original signed by*

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