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Energy
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BY EMAIL AND WEB POSTING

March 22, 2021

To: All Licensed Electricity Distributors
All Other Interested Parties

Re: **2021 Annual Reporting and Record-keeping Requirements (RRR) and
Amendments to the Electricity Distributor Scorecard**

The Ontario Energy Board (OEB) is making several improvements to the Reporting and Record-keeping Requirements (RRR) for licensed electricity distributors to streamline requirements. The OEB has also identified changes to the Electricity Distributor Scorecard. This letter identifies those changes and improvements.

The annual RRR input forms for completing the filings will be available as of **March 23, 2021** in the [RRR Filing portal](#). The OEB has determined that the filing date for annual RRR will be extended to **May 17, 2021** in recognition of the challenges that some distributors may continue to face due to the COVID-19 pandemic.

On October 1, 2020, in a [mandate letter](#) to the Chair of the OEB, the Minister of Energy, Northern Development and Mines set out as a priority that the OEB promote operational efficiency and find cost efficiencies in regulation. The OEB has implemented an internal RRR Stewardship program with the objective of ensuring that all, existing and new, requirements are evaluated for their contribution to effective and efficient regulation. Through this new approach, OEB staff have been undertaking a detailed internal review of the RRR for electric utilities, including data that is reported on the distributor Scorecards, with a focus on identifying reductions and improvements to the RRR.

The improvements are summarized below and are reflective of feedback received from distributors to alleviate complexities in processes that rely on RRR data, such as the Incentive Rate Mechanism (IRM) rate generator models. OEB staff consulted with several distributors and distributor associations regarding the improvements to identify any potential impacts on distributors resulting from the changes. The changes being

made to the RRRs were positively received and resulted in the implementation of additional flexibility in certain RRR changes to accommodate differences in distributors' business processes.

While this year the process has been largely internal, in future OEB staff will be engaging with RRR filers and interested stakeholders to discuss improvements and amendments to the RRR. OEB staff also intends to provide greater transparency regarding how reported RRR data is used by the OEB to support regulatory processes. Further details regarding the approach to consulting on RRR improvements will be provided soon.

2021 Annual RRR

Improvements being proposed at this time include removing obsolete reporting requirements, improvements in guidance to provide clarity, and additional reporting for some distributors to alleviate work during the IRM rate-setting process. OEB staff believes these changes will improve the overall efficiency and effectiveness of the RRR.

Reduction of Reporting Requirements

Sections 2.1.17 Large Customer Identification and 2.1.18 Loss of Customers or Load have been removed from the RRR and the filing system. OEB staff have undertaken a review of the data filed and assessed that these sections have been seldom used since 2017, therefore these sections are no longer required.

Improved Clarity for Reporting on the Low-income Energy Assistance Program (LEAP)

The RRR system has been streamlined and enhanced clarity provided regarding information filed in section 2.1.16 about the LEAP program. The changes allow for the ability to auto-populate fields in section 2.1.16 with relevant data from section 2.1.7 Trial Balance (USoA 6205, sub-account LEAP funding). The system now has prompts to highlight entry inconsistencies with previous years' data, and the descriptions of data fields has been improved to assist distributors in completing their submissions. Section 2.1.5.6 Regulated Return on Equity will also be simplified with respect to LEAP data by adding an error prompt, improving data field descriptions, and adding a read-only field showing the calculated LEAP funds (per the OEB formula) for the distributor's reference.

Improved Reporting for Group 1 Accounts by Rate Zone

Previously, reporting of Group 1 accounts was only possible via a single table of data for each distributor. In June 2020, a distributor suggested to OEB staff that reporting of

Group 1 accounts broken down by rate zone in the RRR 2.1.7 Trial Balance would alleviate extra reconciliation work and save distributors time during the IRM rate-setting process.

An option has now been provided to enable distributors with multiple rate zones to report their Group 1 accounts by rate zone, if they so choose, in addition to the main table for total account balances. This change is expected to enable time and effort savings for distributors and OEB staff during the IRM rate-setting process. Based on feedback from distributors that would be affected by these changes, having the ability to opt, or not, to provide the additional rate zone data ensures adequate flexibility.

Amendments to the Electricity Distributor Scorecard

Given that the Scorecard is largely constructed from RRR data, as part of its RRR Stewardship program OEB staff have undertaken an initial review of the Scorecard. That review has identified measures that need to be updated and in one case, a measure that is no longer applicable to distributors. The review has also looked for opportunities to increase the Scorecard's value as a tool for informing consumers about the performance of their distributor. As a result, the following changes are being proposed to improve overall efficiency and effectiveness of the Scorecard. Based on the results of the review, we have identified a number of other potential changes. We intend to consult with the sector on those changes in the coming months, with a view to making broader changes to the Scorecard for the next reporting year.

Removal of Conservation & Demand Management (CDM) Measure

The Scorecard's CDM measure was implemented to monitor and report on the distributor's achievement against its assigned conservation target under a previous conservation policy. In March 2019, the Independent Electricity System Operator was directed by the Minister of Energy, Northern Development and Mines to develop a new conservation framework that does not include conservation targets for distributors. With this change there is no longer a conservation target for distributors to be measured against and therefore, the Scorecard measure is no longer available.

Standardization of System Reliability Trend Indicator

On the Scorecard, the direction of the trend indicator arrow typically is based on the slope of the trendline for the last five years of results. However, the reliability trend indicator has been based on the rolling average of the last five years of results and how that number compares to a specified target. This approach has given rise to confusion, as sometimes the trend indicator arrow direction will be the opposite of the trendline

slope. OEB staff propose to standardize the reliability trend indicator functionality with the others on the Scorecard, thereby changing it to be based on the five-year trendline instead of the five-year average relative to a target.

Closing

The [RRR Filing portal](#) will be open as of **March 23, 2021** for the Annual RRR submissions by electricity distributors and the deadline to complete their RRR submissions is **May 17, 2021**.

Any questions relating to this letter should be directed to performance_reporting@oeb.ca.

Yours truly,

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance