



**Ontario Energy Board**

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

# OEB COST ALLOCATION REVIEW

Introduction to Potential Supplemental Questions

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# Model to be built on core of common principles and key defaults

- To promote consistency and efficiency in completing and reviewing filings, various default methodologies will be built into model:
  - for example, default minimum system results based on average of past Ontario minimum system studies



# Goal of Supplemental Questions

Working Group discussions indicate that in some cases, disclosure of additional filing information will assist:

- 1) LDC to explain its unique circumstances
- 2) review of filing by Board
- 3) understanding of filings by ratepayers

Note: Filings to be publicly available



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# Example (1) Minimum System

Supplemental questions will be finalized to highlight areas where further scrutiny may be useful

- for example, utilities with “network” systems



## Example (2): Accounting Policies

Working group has discussed whether there may be differences in utility accounting policies which can significantly impact cost allocation results

- for example, treatment of overheads



# Suggestions for Accounting System Improvements

Based on experience gathered over the last year, Working Group will be making suggestions for updates to the Board's system of accounts



## Example 3) General question about utility - specific circumstances

Utilities have raised questions about whether cost allocation principles to be adopted can be applied appropriately to circumstances of all Ontario electricity distributors

Working group suggestion: A general question in filing asking utility if it had any concerns about applicability of principles to its circumstances?

