



Ontario
Energy
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BY EMAIL AND WEB POSTING

March 29, 2023

To: All Rate Regulated Natural Gas Utilities
All Parties in EB-2008-0106

Re: **Updates to Performance Standards for Quarterly Rate Adjustment Mechanism Proceedings**

In keeping with its commitment to modernize, promote accountability and provide greater predictability for regulated entities and other interested stakeholders, the Ontario Energy Board (OEB) has updated its performance standards for Quarterly Rate Adjustment Mechanism (QRAM) applications. Effective April 1, 2023, the updated performance standards set out in this letter will apply to the processing of QRAM applications.

The changes described in this letter ensure greater predictability in terms of application processing timelines, and contribute to the OEB's efforts to embody the characteristics of a top-quartile regulator in its operations.

Updated Performance Standards for QRAM Applications

Performance standards outline the typical procedural steps associated with processing a particular type of application and the typical number of calendar days for each step.

There are currently three performance standards related to QRAM applications:

- 1) Natural Resource Gas (NRG) – Written Review: 14-day total cycle time
- 2) Union and Enbridge – Written Review: 14-day total cycle time
- 3) QRAM - Written Review – 21-day total cycle time

The “NRG – Written Review” performance standard is applied to EPCOR Natural Gas Limited Partnership’s (EPCOR) QRAM applications (both the Aylmer and South Bruce service areas). The “Union and Enbridge – Written Review” performance standard is applied to Enbridge Gas Inc.’s (Enbridge Gas) QRAM applications. The “QRAM – Written Review” performance standard with a 21-day cycle time is not currently applied to any applications. The main distinction between the 14- and 21-day standards is the provision for a notice or procedural order for the latter.

Effective April 1, 2023, the OEB will merge the “NRG – Written Review” and the “Union and Enbridge – Written Review” performance standard to a single standard, the “Short-form QRAM” performance standard. This merged standard will be applicable to all QRAM applications that either have no incremental requests (beyond changing the reference price and disposing of deferral account balances that are typically cleared through the QRAM process) or include rate mitigation but only one rate mitigation option is provided and the bill impact after mitigation is less than approximately 10%. The short-form QRAM performance standard is summarized in the table below and attached as Schedule A to this letter.

Short-form QRAM	Calendar Days Elapsed
Application filed and served on pre-determined parties	1
Interrogatories / Comments submitted	5
Applicant’s responses to Interrogatories / Comments	8
Decision and Order	14

Also, effective April 1, 2023, the OEB will change the “QRAM – Written Review” performance standard to the “Complex QRAM” performance standard. This revised standard will continue to reflect a 21-day total cycle time and would be applicable to all QRAM proceedings that have:

- a. multiple rate mitigation options provided; or
- b. the bill impact after mitigation is materially higher than 10% and only a single rate mitigation option is provided; and/or
- c. updates to the application, during the course of the proceeding, that impact the proposed rate schedules.

QRAM applications that have multiple rate mitigation options or the bill impact after mitigation is materially higher than 10% (and only a single rate mitigation is provided) should be filed approximately one week earlier than is typical.¹

The complex QRAM performance standard is summarized in the table below and attached as Schedule B to this letter.

Complex QRAM	Calendar Days Elapsed
Application filed and served on pre-determined parties	1
Interrogatories / Comments submitted	5
Applicant's responses to Interrogatories / Comments	8
Decision and Order	21

This approach of having short-form and complex performance standards is consistent with the performance standards established for other types of applications.

The OEB notes that there may be special circumstances where an extended hearing is required to adjudicate the issues in a QRAM proceeding. In these special circumstances, the Complex Incentive Rate-setting Mechanism performance standard may be used.² In circumstances where a review of the overall QRAM process is determined to be necessary, a custom schedule may be established, which will reflect the 90-day decision writing metric for Adjudicative Policy Reviews.³

The OEB advises that, regardless of whether the short-form or complex performance standard is applied, the OEB will continue to strive to meet the decision dates requested by the applicants in the QRAM applications. As such, the OEB will make every effort to issue decisions in advance of the end of a quarter in order to provide the natural gas utilities sufficient time to program their billing systems to ensure no disruption to billing cycles.

¹ The early filing is in accordance with the OEB's decision in Enbridge Gas's July 2022 QRAM proceeding (EB-2022-0150).

² The OEB will advise the applicant and intervenors if it intends to use the Complex Incentive Rate-setting Mechanism for a QRAM proceeding and will describe the special circumstances that led to this decision.

³ Similarly, the OEB will advise the applicant and intervenors if it intends to launch a review of the overall QRAM process and will describe why it has made this decision.

Any questions relating to this letter should be directed to Industry Relations at industryrelations@oeb.ca.

Yours truly,

A handwritten signature in black ink that reads "Emad Elsayed". The signature is written in a cursive style with a horizontal line underneath the name.

Emad Elsayed
Deputy Chief Commissioner

Schedule A
Short-form QRAM Performance Standard

**Schedule A
GRAM
Short-form**

EVENT	Calendar Days Elapsed
Application filed and served on pre-determined parties	1
Interrogatories / Comments submitted	5
Applicant's responses to Interrogatories / Comments	8
Decision and Order	14

Schedule B
Complex QRAM Performance Standard

**Schedule B
QRAM
Complex**

EVENT	Calendar Days Elapsed
Application filed and served on pre-determined parties	1
Interrogatories / Comments submitted	5
Applicant's responses to Interrogatories / Comments	8
Decision and Order	21

*In cases where an extended hearing is required to adjudicate the issues in a QRAM proceeding the Complex Incentive Rate-setting Mechanism performance standard may be used. In cases where a review of the QRAM process is determined to be necessary, a custom schedule may be established, which will reflect the 90-day decision writing metric for Adjudicative Policy Reviews.