



Ontario
Energy
Board | Commission
de l'énergie
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BY EMAIL AND WEB POSTING

November 25, 2021

To: All Licensed and Rate-regulated Electricity Distributors
All Other Interested Parties

Re: **Meeting Invitation for Activity and Program-based Benchmarking:
Enhancements Initiative (EB-2018-0278)**

The Ontario Energy Board (OEB) is now taking steps to enhance Activity and Program-based Benchmarking (APB). This letter is an invitation to electricity distributors and interested stakeholders to a meeting on December 9, 2021 at 9:30 a.m. where OEB staff will present its proposed APB enhancements and seek feedback. This follows from the OEB's publication of the [APB report](#) in March 2021 and a meeting in May where OEB staff discussed the APB results and received feedback from stakeholders on the Report.

The OEB has previously indicated that its approach to APB is one of continuous improvement, which was reinforced at the May stakeholder meeting, with a view to increasing its value as a tool to drive utility performance and support efficiencies in the regulatory process. The OEB has previously stated that APB will rely on unit costs as the primary benchmarking method to support decision-making in the sector and therefore the focus of the enhancements is on unit cost benchmarking. Time will be allotted, however, to discuss more broadly how econometric models are valuable to stakeholders.

The proposed enhancements, driven by both industry feedback and OEB staff's analysis of the results, aim to achieve two main goals:

1. Ensure that the unit cost metrics reflect the underlying business drivers of the costs themselves
2. Have the results of the unit cost models enable accurate comparability of unit costs between distributors

The details of the proposed enhancements will be communicated in a slide deck that OEB staff will share the week before the meeting. The deck will summarize the current unit cost formulations and results, proposed new formulations with justification for

changes, and any incremental reporting requirements needed to support APB on an ongoing basis. OEB staff have also considered how this data required for APB enhancements can offset filing requirements for major rate applications, in accordance with the [Management Response](#) to the 2021 [Financial Review](#).

OEB staff encourages stakeholders to review the proposed enhancements in advance to identify any potential challenges so those may be discussed at the meeting.

Stakeholder Meeting

OEB staff will be holding a virtual stakeholder meeting on December 9, 2021 from 9:30 am to 12:30 pm to receive stakeholder feedback on the proposed enhancements. Subsequent meeting(s) may be scheduled depending on the level of feedback received.

For any stakeholder wishing to participate in this meeting, please sign up by emailing Veronica Mendes at veronica.mendes@oeb.ca by December 1, 2021.

Cost Awards

Cost awards will be available under section 30 of the *Ontario Energy Board Act, 1998*, to eligible participants for their participation. Costs awarded will be recovered from all rate-regulated licensed electricity distributors (100% of the costs awarded). For electricity distributors, costs awarded will be apportioned based on their respective customer numbers. All requests for cost eligibility should comply with the requirements referred to under “Cost Awards” below.

All participants that were previously eligible for cost awards for participation in the previous APB initiative will continue to be eligible for attending and participating at the APB enhancement initiative meeting.

Any questions relating to this letter can be directed to the Performance Analytics & Reporting team at performance_reporting@oeb.ca or contact us at the OEB’s toll-free number 1-888-632-6273.

Sincerely,

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance

ATTACHMENT A

COST AWARDS

Cost Award Eligibility

The OEB will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. Any person intending to request an award of costs must file with the OEB a written submission to that effect by **December 1, 2021** identifying the nature of the person's interest in this process and the grounds on which the person believes that it is eligible for an award of costs (addressing the cost eligibility criteria as set out in section 3 of the *Practice Direction on Cost Awards*). All requests for cost eligibility will be posted by the OEB.

Rate-regulated electricity distributors will be provided with an opportunity to object to any of the requests for cost award eligibility. If an electricity has any objections to any of the requests for cost eligibility, those objections must be filed with the OEB by **December 6, 2021**. Any objections will be posted by the OEB. The OEB will then make a final determination on the cost eligibility of the requesting participants.

Cost Eligible Activities and Hours

Cost awards will be available to eligible stakeholders that attend the Stakeholder Meeting to be held on December 9, 2021. They will be eligible for a cost award for a maximum of four (4) hours actual meeting time plus four (4) hours for preparation and reporting for the meeting to a **maximum of 8 hours**. Details on subsequent consultation activities eligible for cost awards will be provided at a later date, if applicable.

Cost Awards

When determining the amount of cost awards, the OEB will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the OEB's Cost Awards Tariff will also be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process. Interested parties are reminded that cost awards are made available on a per eligible participant basis, regardless of the number of professional advisors that an eligible participant may wish to retain.

The OEB will use the process set out in section 12 of its *Practice Direction on Cost Awards* to implement the payment of the cost awards. Therefore, the OEB will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the OEB's *Practice Direction on Cost Awards* and the October 27, 2005 letter regarding the rationale for the OEB acting as a clearing house for the cost award payments. These documents can be found on the OEB's [Rules, Codes, and Requirements webpage](#).