



Ontario
Energy
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BY EMAIL AND WEB POSTING

June 4, 2020

To: All Registered Stakeholders

**Re: Consultation on the Deferral Account – Impacts Arising from the COVID-19
Emergency
Ontario Energy Board File Number: EB-2020-0133**

In its [letter](#) issued on May 14, 2020, the Ontario Energy Board (OEB) commenced a consultation on a deferral account relating to impacts arising from the COVID-19 emergency (the Account) in the electricity and natural gas sectors. The May 14, 2020 letter included a draft issues list (Draft Issues List).

A preliminary stakeholder meeting was held on May 28, 2020, which provided a forum to discuss the Draft Issues List.

The purpose of this letter is to provide clarifications on matters discussed at the preliminary stakeholder meeting and to outline the next steps in the consultation process.

A. Written Comments and Reply Comments on the Draft Issues List

In its May 14, 2020 letter, the OEB indicated that written comments on the Draft Issues List are due by **June 11, 2020**. At the preliminary stakeholder meeting, some stakeholders requested an opportunity to respond to the comments made on the Draft Issues List by other stakeholders. The OEB will allow stakeholders to file reply comments by **June 18, 2020**.

The OEB is providing clarification that the written comments should address the scope of the Draft Issues List, i.e., whether the issues should be expanded, reduced, or changed. To assist the OEB to understand and assess what actions, if any, are required

in the near term, the OEB confirms that it is requesting both substantive and scoping comments only related to one issue, Issue #1a, which is described below:

Should the OEB provide advanced policy direction in the near term (for example at the time of establishing the Final Issues list), to provide greater certainty with respect to the recoverability of amounts tracked in the Account, such as by confirming the recoverability of any incremental bad debt expense?

Specifically, regarding Issue #1a, the OEB requests that stakeholders articulate the following in their written comments, with reasons:

1. Any proposed changes to the wording of Issue #1a.
2. Whether there is a need to provide advanced policy direction in the near term, to provide greater certainty with respect to the recoverability of amounts tracked in the Account to address immediate needs. Utilities should provide specific details of the necessity for advanced policy direction such as, for example, the need for recognition of the Account as a regulatory asset on the financial statements, or the need to support borrowing from lenders.
3. If so, what advanced policy direction should the OEB provide, and when?

B. Final Issues List and Advanced Policy Direction

Subsequent to the reply comments, the OEB will issue a final issues list. Any advanced policy direction, as required, will follow in due course.

C. Stakeholder Forum

The OEB will convene a non-transcribed stakeholder meeting beginning **July 28, 2020**, and continuing **July 29, 2020** and **July 30, 2020**, if necessary, to provide a forum for discussion of the issues in this consultation. The stakeholder meeting will be recorded and the recording will be posted on the OEB's website following the meeting. The stakeholder forum will be conducted either at the OEB's office, or via webinar, in a format yet to be determined.

Further details about the stakeholder forum will be circulated to registered stakeholders in advance. The dates of the stakeholder forum are subject to change pending the OEB's finalization of the issues list.

D. Posting of Data

At the preliminary stakeholder meeting, certain stakeholders asked whether the OEB could post reported data from electricity distributors on the Account balance. The OEB agrees that this data may help inform stakeholders about the initial quantum amount recorded in the Account, but cautions that the amounts are subject to change.

The provision of any available data at the Account (or sub-account level, as applicable) is not intended to be subject to testing or detailed queries in advance of any formal application being filed for review and disposition. The intent of providing any initial data that may be available leading up to the July stakeholder forum, is to allow stakeholders the opportunity to understand the magnitude of the impacts. It is anticipated that this will allow stakeholders to have a fruitful discussion on the nature of the impacts, and the activities being undertaken by utilities to respond to the emergency that give rise to incremental costs, savings, offsetting amounts, or lost revenue. Ultimately, the purpose of the discussion at the stakeholder forum will be to assist stakeholders in providing comments to the OEB on any accounting guidance and filing requirements that may be necessary to assist utilities in making applications for final review and disposition on the Account balances, as required.

The June 2020 data will be available in early July 2020 following the June 24, 2020 reporting by distributors. Specifically, the OEB will provide a total for each sub-account of the Account broken down by electricity distributor.¹ It is anticipated that this will reflect approximately three months worth of data.

With respect to the remaining utilities, Ontario Power Generation Inc., electricity transmitters, Enbridge Gas Inc. and EPCOR Natural Gas Limited Partnership, the OEB will take appropriate steps so that their data on the Account balances is available in advance of the July stakeholder forum.

Any subsequent steps in the consultation will be determined in due course, following the stakeholder forum.

Stakeholders may also choose to refer to this consultation's [OEB webpage](#) for additional information.

¹ As outlined in the OEB's [March 25, 2020 accounting order](#), the three sub-accounts of the Account are:

- Account 1509 – Impacts Arising from the COVID-19 Emergency, Sub-account Costs Associated With Billing and System Changes
- Account 1509 - Impacts Arising from the COVID-19 Emergency, Sub-account Lost Revenues
- Account 1509 – Impacts Arising from the COVID-19 Emergency, Sub-account Other Costs

All materials filed with the OEB must quote the file number, **EB-2020-0133**, be made in a searchable/unrestricted PDF format and sent electronically through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice>. Filings must clearly state the sender's name, postal address and telephone number, fax number and email address.

Stakeholders must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <https://www.oeb.ca/industry>. If the web portal is not available stakeholders may email their documents to BoardSec@oeb.ca.

NOTE: The OEB is temporarily waiving the paper copy filing requirement until further notice. All communications should be directed to the attention of the Board Secretary, and be received no later than 4:45 p.m. on the required date.

With respect to any questions related to this consultation, stakeholders may contact Fiona O'Connell at fiona.oconnell@oeb.ca.

Yours truly,

Original signed by

Christine E. Long
Registrar and Board Secretary