



Ontario  
Energy  
Board | Commission  
de l'énergie  
de l'Ontario

**BY EMAIL AND WEB POSTING**

June 15, 2023

**To:** Rate-regulated Electricity Distributors  
All Other Interested Stakeholders

**Re: Updated Filing Requirements for Electricity Distribution Rate Applications,  
Chapter 3**

Today, the Ontario Energy Board (OEB) updated Chapter 3 of its *Filing Requirements for Electricity Distribution Rate Applications* (Filing Requirements) in advance of the filing of applications for 2024 rates. The notable changes to the Filing Requirements are discussed below.

#### *Low Voltage Service Rate Update*

The OEB is providing embedded or partially embedded distributors with an annual opportunity to update the Low Voltage Service Rates as part of their incentive-rate setting (IRM) application. The IRM rate generator model has been updated to include two new tabs to enable the calculation of new Low Voltage Service Rate riders. If an embedded distributor wants to make this update, that distributor must provide the supporting information outlined in section 3.2.5 of the Filing Requirements as part of its IRM application.

Where an embedded distributor makes this update, there may be a smaller variance between the Low Voltage costs charged by a host distributor to an embedded distributor and Low Voltage revenues collected through Low Voltage Service Rates that the embedded distributor charges its customers. This is because the host distributor's rates are adjusted annually, impacting the Low Voltage costs of an embedded distributor, but Low Voltage Service rates to match these costs have historically only been updated during a rebasing application (typically once every five years). Such a variance was even greater for embedded distributors that were in a deferred rebasing period.

*Lost Revenue Adjustment Mechanism Variance Account and Prospective Amounts*

On December 20, 2021, the OEB issued updated Conservation and Demand Management Guidelines for Electricity Distributors. The updated Filing Requirements, as well as updated versions of the Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) workform and workform instructions, provide guidance regarding the treatment of prospective LRAMVA balances.

*Other changes in the Filing Requirements are outlined as follows:*

- Transferred background information relating to Group 1 deferral and variance accounts to a new document, titled the “IRM Rate Generator Model Deferral and Variance Account Tabs Instructions”
- Updates in section 3.2.8 related to the Small Business Deduction rules
- Changes in section 3.3.2.5 regarding the Tax Rules for Capital Cost Allowance as it relates to the Incremental Capital Module

The OEB will hold a webinar on June 21, 2023 to discuss the updated Filing Requirements.

The OEB will post the IRM model for the 2024 rate year in July 2023. The Benchmarking Spreadsheet Forecasting Model will be posted in due course.

Any questions relating to this letter should be directed to the OEB’s Industry Relations Enquiry e-mail at [IndustryRelations@oeb.ca](mailto:IndustryRelations@oeb.ca). Please include “2024 Filing Requirements” in the subject line.

Yours truly,

Nancy Marconi  
Registrar