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Energy
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BY WEB POSTING

March 11, 2019

To: All Rate Regulated Electricity Distributors and Transmitters
All Rate Regulated Natural Gas Distributors
Ontario Power Generation Inc.
All Other Interested Parties

Re: Performance Standards for Processing Rate Applications

The Ontario Energy Board (OEB) has adopted new performance standards for processing rate applications to take effect April 1, 2019. The new standards better reflect the time required by the OEB to process an application and will provide greater certainty and predictability to applicants.

Current performance standards used by the OEB were established in 2009. Since that time, the OEB's regulatory practices and requirements have evolved, as has the complexity of many of the applications for approvals that come before it.

In developing the new performance standards, the OEB was informed by a historical review of actual application processing timelines for the period 2008 to 2017 as well as a review of measures used by regulators in other jurisdictions including the British Columbia Utilities Commission and the Alberta Utilities Commission.

The OEB's review has shown that size and complexity has a significant impact on the time required to thoroughly review and process an application, and that what matters most to applicants in addition to total cycle time is greater certainty in the timing of issuance of the decision once the application has been heard.

The jurisdictional review revealed that other energy regulators monitor their performance based on elapsed time from close of record to decision and not exclusively on total cycle time. The OEB will adopt this same practice.

The OEB's current cycle time standards for rate applications are determined by hearing type (i.e. oral or written). These standards will also be revised to reflect the size of the revenue requirement rather than the hearing type.

The new performance standards will measure three indicators:

- Time elapsed from issuance of completeness letter to the issuance of Procedural Order No. 1 (PO#1)
- Time elapsed from close of the record to the issuance of an OEB decision
- Total cycle time – from issuance of completeness letter to final decision

The table below sets out the new performance standards for rate-related applications¹:

	Elapsed Calendar Days		
	PO#1	Decision	Total Cycle Time
Cost-Based >\$500M Revenue Requirement	60	90	355
Cost-Based <\$500M Revenue Requirement	35	60	230
Complex Incentive Rate-setting Mechanism (or other stand-alone request)	35	60	165
Accounting Order (or other stand-alone request)	35	30	125

The new performance standards for rate applications will be posted on the OEB's website in the form of schedules that identify the typical procedural steps and typical elapsed days for each step underpinning each performance standard. The actual elapsed days for each procedural step may vary and may be affected by statutory holidays. In some instances, fewer procedural steps will be required. In other instances, additional procedural steps will be required.

¹ The OEB conducts a preliminary review of rate applications to ensure the information presented is complete, accurate and consistent with the filing requirements. The OEB will not commence any proceeding to review an application until the OEB determines that any deficiencies have been addressed. Going forward, the OEB will strive to communicate the results of the preliminary review in 10 business days.

The OEB will also be providing a planning tool on the website that can be used by stakeholders to approximate elapsed days associated with additional steps, as well as to approximate how much time may be compressed if certain procedural steps do not take place.

In keeping with the commitment established in our *Strategic Blueprint: Keeping Pace With an Evolving Energy Sector*, the OEB continues to review its processes and performance measures to ensure that our regulation of the sector is proportionate and fit for purpose. The new performance standards for processing rate applications is a first step in our review of adjudicative performance monitoring. The OEB will next review processing timelines for Leave to Construct and Mergers, Acquisitions, Amalgamations, and Divestitures applications, with a view to establishing appropriate performance measures reflective of the scope and complexity of these applications.

Any questions relating to performance standards should be directed to Industry Relations at industryrelations@oeb.ca.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary