

Final Revisions to Filing Requirements for Small Utilities

Webinar

December 7, 2021



01 **Welcome & Introduction**
Ted Antonopoulos

02 **Land Acknowledgement & Agenda**
Jane Scott

03 **Changes – General & Chapter 2**
Jane Scott

04 **Changes – Chapter 5**
Donald Lau

05 **Update on Rebasing Letter**
Kevin Mancherjee

06 **Q&As**
Jane Scott

07 **Wrap-up & Next Steps**
Ted Antonopoulos



Small Utilities

- Richard Bucknall, Wellington North, CHEC
- Adam Giddings, Lakefront Utilities
- Heather Dowling, Centre Wellington Hydro
- Manuela Ris-Scofield, Tandem Energy Services,
representing Hydro Hawkesbury and Cooperative Hydro Embrun
- Kathi Farmer, EDA
- Ashly Karamatic, CHEC



Intervenors

- Mark Garner & Bill Harper, VECC
- Tom Ladanyi, Energy Probe
- Mark Rubinstein, SEC



OEB Staff

- Jane Scott
- Kevin Mancherjee
- Donald Lau
- Georgette Vlahos

General Philosophy of Changes

A cost of service filing is:

- a major undertaking
- a review of the total costs to serve

The basic information in the filing requirements is still needed

The approach was less about removing items, instead:

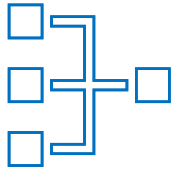
- Remove redundancies
- Clarify requests
- Add flexibility for each LDC to address its unique circumstances

Approach to completeness check

Summary of General Changes

<p>Level of Detail</p>	<ul style="list-style-type: none"> • Emphasis on quality over quantity • Clarity that the level of detail in the application should reflect the scale/scope of the request, with consideration to: <ul style="list-style-type: none"> • materiality, complexity, variance to previous plan, deviation from OEB policy, and bill impacts 	<p>New Additions/ Changes</p>	<ul style="list-style-type: none"> • New additions examples: historical cohort and ROE information, checklist to be filed • Materiality threshold for small utilities reduced from \$50k to \$10k • Information on consolidation
<p>Format</p>	<ul style="list-style-type: none"> • Sections moved to improve flow, e.g., capital expenditures and service quality to Chapter 5/DSP, LRAMVA to Exhibit 9 (DVAs) • Removed duplications • Link to some documents instead of filing them 	<p>Models</p>	<ul style="list-style-type: none"> • Appendices and Models (Excel only (i.e., not pdf as well), unless specifically requested (e.g., rate tariffs)) • OEB Models unlocked – any changes made require explanation and additional certification by senior executive

Specific Changes – Chapter 2



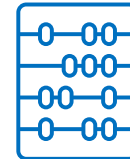
One summary, is now required instead of the three



The Customer Engagement: section has been consolidated in Exhibit 1 and clarified



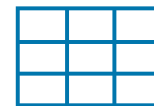
OM&A year-over year variance analysis is removed and going forward the emphasis will be on variances from last OEB-approved (actuals) year to proposed



Reconciliation of financial statements to RRR not required



If no Business Plan or Strategic Plan – can provide key planning assumptions, material factors and goals of the distributor for the test year and term



The use of USoA instead of programs for OM&A explanations and variances to be allowed



Load forecast only required based on 10 years, not both 10 and 20

Specific Changes – Chapter 5

Add	Remove	Change/Clarify
<ul style="list-style-type: none">• DSP performance measurement – discussion on whether objectives in last DSP achieved and how it affects current DSP• Consideration for innovative projects or programs	<ul style="list-style-type: none">• Category specific requirements for material investments• Realized efficiencies due to smart meters• Appendix 5-A• Requirement to cross reference application headings to filing requirement headings	<ul style="list-style-type: none">• Asset Management –shifted focus on understanding LDC’s actual planning process and data used• Clarified variance analysis on CAPEX• Refocused investment evaluation criteria to demonstrate need/prudence• Bullet lists now sentences• System Capability for REG moved to appendix

Should the small utility filing requirements be extended to distributors with 20,000 to 30,000 customers?

- OEB set 20,000 customers as threshold for small distributors, however a recent mandate letter suggests 30,000
- Out of a total of 61 LDCs, there are:
 - 30 electricity distributors with less than 20,000 customers
 - 8 electricity distribution that have between 20,000 and 30,000 customers
- A recent mandate letter, added a requirement that distributors with fewer than 30,000 customers include information explaining the extent to which they have investigated potential opportunities for consolidation and collaboration/partnerships with others

Parking Lot Items



- Should all requirements for filing a cost of service application should be consolidated into the Filing Requirements
- Are bi-annual safety and customer satisfaction surveys still required?
- How should COVID impacts to load forecast be incorporated into next rate application?
- How should materiality be applied to capital? Should it be based on revenue requirement?
- How can the Appendices and Models be improved, i.e. user friendly and clearer?
- Some small utilities have raised concerns around not having the resources to update their load profiles for cost allocation

Next Steps



**Finalize changes to
Filing Requirements and issue by
December 17, 2021**