



OEB COST ALLOCATION REVIEW

Reference Period

Pascale Duguay

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Reference Period

- Cost allocation studies performed by using the revenue requirement (and associated data) for a one-year reference period or “test year”
- Revenue requirement must have received Board approval, and be recent
- General agreement that the revenue requirement underpinning the Board approved 2006 rates should be used
 - Applicable to both historical and forward test year filers

Reference Period (Cont'd)

- Board-approved 2006 rates to be used for the purpose of calculating the revenue-to-cost ratios
- Identified issues:
 - Confidentiality of information: clearing or aggregating accounts may be necessary for some distributors (e.g. salaries and load data)
 - Confidentiality issues to be addressed in Phase 3
 - Forecasts at the account level may not be available for distributors that used a forward test year