



BY EMAIL

January 20, 2026

To: Regulated Entities Subject to OEB Cost Assessment

Re: Cost Assessment - Fiscal Year (FY) 2025/2026

Under Section 26 of the [Ontario Energy Board Act, 1998](#), capital and operating expenses of the Ontario Energy Board (OEB) are recovered from regulated entities through cost assessments. Cost allocation follows a Minister-approved budget for the fiscal year and updated information outlined in the OEB's [Cost Assessment Model](#) (CAM). These resources support the OEB in carrying out the responsibilities assigned to it by government.

The government has entrusted the OEB with an ambitious work plan, articulated through the Minister of Energy and Mines' December 18, 2025 [Letter of Direction](#) and June 12, 2025, [Integrated Energy Plan Implementation Directive](#). Taken together, these directives not only address a bold policy vision for Ontario's energy future, but they also signal a potential further expansion of the OEB's mandate. The OEB's Minister-approved [2025-2028 Business Plan](#) lays out our blueprint to support the delivery of affordable, secure, reliable and clean energy that enables economic growth across the province.

As communicated with the Q3 cost assessment invoice, the OEB is applying a forecast-based approach for Q4 assessments to reflect current operational realities. This approach seeks to ensure fairness to regulated entities, while maintaining alignment with OEB strategic objectives. As part of our continued commitment to prudent financial management, the OEB will base Q4 invoices on its \$63 million expenditure forecast for the year rather than the approved \$70.31 million budget.

This adjustment reflects lower anticipated spending due to the government-directed pause in hiring that began in September 2025. The OEB continues to seek approval to hire and onboard the resources required to execute on our Business Plan. Until further approval is received, the OEB is basing Q4 assessments on forecasted expenditures, mindful of impacts on both regulated entities and energy customers.

FY2025-2026 Assessment by Class of Payor

Cost allocations among payor classes are determined using the OEB's Cost Assessment Model. The following table outlines the cost allocation by payor class for Q4 of fiscal year (FY) 2025-2026.

Any necessary adjustments to the final quarter of FY2025-2026 will incorporate reconciliations for Q1, Q2 and Q3 billing cycles, ensuring alignment with the approved FY2025-2026 forecast.

Class of Payor	2025-2026 Q4 Assessment	
	\$*	% share of total cost
Electricity Distribution	9,744	56
Gas Utilities	4,344	25
Electricity Transmission	1,303	8
Independent Electricity System Operator	727	4
Ontario Power Generation	594	3
Unit Sub-Meter Providers	432	2
Retailers	179	1
Marketers	138	1
Total	17,461	100

(* in thousands)

Payment of Cost Assessment

Cost assessments are payable on a quarterly basis. Q4 covers the period from January 1, 2026, to March 31, 2026.

Enclosed with this letter, you will find your cost assessment invoice along with electronic payment instructions for the Q4 payment to the OEB. Please note that electronic payment is due within 30 days of the invoice date.

Please direct any questions you may have relating to the attached invoice to
accountsreceivable@oeb.ca.

As outlined in the Q3 Cost Assessment letter, the OEB has directed the reactivation of *Account 1508 – Other Regulatory Assets, Sub account OEB Cost Assessment Variance*. This account is intended to record material variances between cost assessments embedded in rates and those arising from the cost assessment model implemented on April 1, 2016, and subsequently updated in April of 2025. Please refer to the [Q3 Cost Assessment Letter](#) for more information.

Sincerely,

Original signed by,

Walter Carvajalino

Manager, Finance & Risk | Ontario Energy Board

Attachments: Invoice dated January 20, 2026 & Electronic Payment Instructions