



**BY EMAIL and WEB POSTING**

December 16, 2025

**To: All Licensed and Rate-Regulated Electricity Distributors and Electricity Transmitters  
Intervenors in all 2025 and 2026 Cost of Service Proceedings for Electricity Distributors  
Participants in EB-2022-0261 (2023 Update to the Filing Requirements for Electricity Transmission Leave to Construct Applications and Related Matters)  
The Independent Electricity System Operator  
All Other Interested Stakeholders**

**Re: 2027 Cost of Service Filing Requirements for Electricity Distributors, Updated Filing Requirements for Electricity Transmission Leave to Construct Applications, and Related Matters**

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#### **What You Need to Know**

- The OEB has released updated Filing Requirements (Chapters 1, 2 and 5) for electricity distribution rate applications for 2027 rates, and updated Filing Requirements (Chapter 4) for electricity transmission leave to construct applications, effective immediately.
- The distribution rates Filing Requirements reflect updates to small distributor process eligibility, retail transmission service rates, vulnerability assessments and system hardening and new expectations for multiple demand scenario analysis required by the Integrated Energy Plan. Both distribution rates and transmission leave to construct filing requirement updates reflect expectations regarding the OEB's new objective of regulating the electricity sector in a manner that supports economic growth, consistent with the policies of the Government of Ontario.
- The OEB will provide an overview of the changes to the distribution rates Filing Requirements at the 2027 Cost of Service Filing Requirements webinar (Orientation Session), date to be communicated later.

Today, the Ontario Energy Board (OEB) issued an updated version of its *Filing Requirements for Electricity Distribution Rate Applications – 2026 Edition for 2027 Rate Applications* (distribution rates Filing Requirements) – Chapters 1, 2 and 5. This is in advance of the filing of applications for 2027 distribution rates.

The OEB also issued an updated version of its *Filing Requirements for Electricity Transmission Leave to Construct Applications and Related Matters* (transmission leave to construct Filing Requirements) – Chapter 4.

### **Regulating the electricity sector in a manner that supports economic growth**

A new objective was added to section 1 of the *Ontario Energy Board Act, 1998* (OEB Act). In addition to the current electricity-related objectives of the OEB Act, section 1 now requires the OEB “To regulate the electricity sector in a manner that supports economic growth, consistent with the policies of the Government of Ontario.” This has resulted in the following updates:

- Chapter 5 of the distribution rates Filing Requirements has been updated to account for the new objective.
- Chapter 4 of the transmission leave to construct Filing Requirements has also been updated to incorporate amendments to section 96(2) of the OEB Act in respect of applications under section 92 of the OEB Act for leave to construct. Section 96(2) now requires the OEB, in determining whether the construction, expansion or reinforcement of the electricity transmission or distribution line is in the public interest, to consider “Supporting economic growth in a manner consistent with the policies of the Government of Ontario”. The standard issues list for electricity transmission leave to construct applications has also been updated to reflect this change.
- Additional updates specific to the distribution rates Filing Requirements are highlighted below in Schedule A.

### **Alignment with the Minister of Energy and Mines’ Integrated Energy Plan Directive to the OEB**

On June 12, 2025, the OEB received a directive regarding the implementation of the Government of Ontario’s Integrated Energy Plan (IEP).<sup>1</sup>

- Chapters 2 and 5 of the distribution rates Filing Requirements have been updated to reflect items 2.1 and 2.2 of that directive, pursuant to which the OEB

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<sup>1</sup> [Directive](#) regarding the implementation of the Government of Ontario’s Integrated Energy Plan (issued under subsection 25.29 (1) of the *Electricity Act, 1998*), June 12, 2025

is to take certain steps to ensure planning undertaken by distributors is informed by multiple demand scenarios.

Distributors should begin incorporating those requirements into their applications on a best-efforts basis by June 30, 2026. Distributors must address the requirements in applications filed after April 1, 2027 (expected for rates effective January 1, 2028, or later).

Effective with 2027 rate applications, Chapter 5 has also been updated to reflect item 15 of the IEP Directive that addresses DER hosting capacity constraints.

### **Small Distributor Process Eligibility**

Beginning in 2024, the OEB introduced a streamlined approach for applications filed by very small distributors (those with less than 5,000 customers). This approach included a one-day Issues Meeting before the discovery process to streamline the review of the application, identify key issues for discovery or to discuss the possibility of eliminating a formal discovery process and moving directly to a settlement conference.<sup>2</sup>

On December 1, 2025, the OEB issued a letter expanding this streamlined process.<sup>3</sup> The letter confirmed that this streamlined approach will now be automatically available to all very small electricity distributors, and qualifying small electricity distributors – those serving between 5,000 and 30,000 customers – under the newly established Small Distributor Process.

The OEB's letter outlined the criteria by which eligibility for small electricity distributors will be considered. Chapter 2 of the distribution rates Filing Requirements has been updated to reflect these changes.

### **Electricity Distribution Retail Transmission Service Rates**

On March 31, 2025, the OEB posted to the Electricity Distribution Rates webpage an updated Retail Transmission Service Rates (RTSR) Guideline<sup>4</sup> and RTSR Workform for 2026 rate applications.<sup>5</sup> These updates introduced the Electric Vehicle Charging (EVC) Rate which reduces the RTSRs applicable to participating EV charging stations, aligning the RTSRs that they pay with the transmission system costs incurred to serve them. This is implemented through an EVC Rate parameter and a new set of rates for each

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<sup>2</sup> EB-2023-0229, [OEB Letter – Very Small Utilities Working Group Report to the OEB](#), March 28, 2024

<sup>3</sup> EB-2025-0098, [OEB Letter – 10-Point Action Plan: Implementation Update – Item #9](#), December 1, 2025

<sup>4</sup> [Guideline: Electricity Distribution Retail Transmission Service Rates and Low Voltage Charges](#), March 31, 2025

<sup>5</sup> [2026 Electricity Distribution Rates Webpage](#), March 31, 2025 Update

General Service rate class between 50 kW and 4,999 kW. Distributors are expected to apportion the load of these rate classes into load that services qualifying charging facilities and all other loads.

Additionally, the RTSR Guideline encourages distributors to propose updated RTSRs underpinned by updated cost causation data in rebasing proceedings.

Further details and guidance for preparing an application are provided in Chapter 2 of the distribution rates Filing Requirements.

### **Vulnerability Assessment and System Hardening**

On June 27, 2024, the OEB launched the Vulnerability Assessment and System Hardening (VASH) project in response to the Minister of Energy's Letter of Direction to the OEB dated November 29, 2023. The OEB has incorporated the outcomes of the OEB's VASH Report issued on October 7, 2025<sup>6</sup> into Chapter 5 of the distribution rates Filing Requirements. These requirements will apply on a best-efforts basis for applications filed in 2026 for 2027 distribution rates and will become mandatory commencing with applications for 2028 distribution rates.

### **Pending Considerations**

Following its November 27, 2025, Decision and Rate Order, the OEB will issue Accounting Order(s) to establish generic deferral and variance accounts (DVAs) for distributors to record double-peak billing refunds received from transmitters.<sup>7</sup>

Earlier, on September 18, 2025, the OEB provided guidance implementing the Capacity Allocation Model (CAM) for housing developments. The guidance indicated that "The OEB will establish generic deferral and variance accounts for distributors to track CAM-related costs, customer contribution and financing charge payments".<sup>8</sup>

Distributors must follow the accounting orders for these generic DVAs once issued.

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<sup>6</sup> EB-2024-0199, [VASH Report](#), October 7, 2025

<sup>7</sup> EB-2022-0325, [Decision and Rate Order – Generic Hearing on Uniform Transmission Rates – Phase 2](#), November 27, 2025

<sup>8</sup> OEB letter, [Guidance on Implementation of the Capacity Allocation Model for Housing Developments](#), September 18, 2025

## Conclusion

Distributors are reminded that the OEB expects that all rate applications filed in 2026 will be fully consistent with the *Benefit-Cost Analysis Framework for Addressing Electricity System Needs*.<sup>9</sup>

Updated versions of all models to Chapter 2 and 5, including the cost of service checklist, will be posted later.

The OEB will provide an overview of changes to the distribution rates Filing Requirements at the 2027 Cost of Service Filing Requirements webinar (Orientation Session). The date will be communicated to stakeholders.

The OEB reminds distributors that the distribution rates Filing Requirements represent the OEB's expectations for 2027 rate applications as of today's date. Further, the transmission leave to construct Filing Requirements represent the OEB's expectations for future leave to construct applications effective immediately. Distributors and Transmitters should consider any relevant future direction provided by the OEB.

Any questions relating to this letter should be directed to [Registrar@oeb.ca](mailto:Registrar@oeb.ca).

Yours truly,

Damien A. Côté  
Chief Commissioner

### Attachments:

- *Filing Requirements for Electricity Distribution Rate Applications – 2026 Edition for 2027 Rate Applications*, Chapters 1, 2 and 5
- *Filing Requirements for Electricity Transmission Leave to Construct Applications and Related Matters – Chapter 4*
- *Standard Issues List: Electricity Transmission Leave to Construct Applications*

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<sup>9</sup> See [OEB's 2026 Cost of Service Filing Requirements Cover Letter](#), December 9, 2024

## Schedule A

In addition to general edits for clarity, accuracy and the removal of outdated information, the substantive changes listed below<sup>10</sup> were made since the issuance of Chapter 1 (April 18, 2022), Chapter 5 (December 9, 2024) and Chapter 2 (May 7, 2025).

### Chapter 1

- Addition of required certifications/confirmations by distributors (previously included in Chapter 2)
  - Includes an option for distributors to provide certifications in a single document
- Addition of disclosure and confirmation requirements when generative artificial intelligence is used to prepare content for a proceeding, pursuant to the OEB's amended *Rules of Practice and Procedure*<sup>11</sup>
- If third-party documentation is filed as part of an application in support of a distributor's evidence, and such documentation is labelled as "confidential" (for example, in the header or footer of the document), the distributor must confirm that the document(s) do not contain confidential information and the distributor is providing it for the public record

### Chapter 2

- Removed distributor certification/confirmations requirements (now included in Chapter 1)
- Incorporated relevant findings from the OEB's generic proceeding on cost of capital policy and other matters<sup>12</sup>, including updates to the section "Disposition of Account 1511 Incremental Cloud Computing Implementation Costs"
- Removed requirement for an overview of financing strategy – replaced with evidence requirements from the cost of capital decision (utilities must explain management of long-term debt, including actual and forecasted future debt)
- Added reference to the OEB's March 20, 2025 letter which provides guidance to distributors in incorporating innovation-related proposals in rate applications

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<sup>10</sup> On December 9, 2024, the OEB issued an updated version of its Filing Requirements for Electricity Distribution Rate Applications – 2025 Edition for 2026 Rate Applications. On May 7, 2025, the OEB issued a corrected version of the Chapter 2 Filing Requirements for 2026 rates to address a clerical error. See the [OEB's May 7, 2025 letter](#) for further details.

<sup>11</sup> OEB [Rules of Practice and Procedure](#), November 13, 2025

<sup>12</sup> EB-2024-0063, [Decision and Order](#), March 27, 2025

- Added reference to November 25, 2025 amendments to the *Distribution System Code* to establish a methodology for the setting of rates to include a margin on payments incentive related to the use of third-party DERs as non-wires solutions
- Added requirement to describe how burden rates were derived
- Revised filing requirements related to the status of the Accelerated Investment Incentive Program
- Revised to reflect the latest version of the Accounting Guidance resulting from the Independent Electricity System Operator's (IESO) Market Renewal Program
- Added guidance on the two-year limitation period for certain IESO settlements and requirements for exceptions
- Added filing requirements for disposition of amounts in:
  - Extended Horizons Variance Account
  - Electric Vehicle Charging Rate Deferral Account
- Updated 'Commodity Accounts Analysis Workform' section to align with Chapter 3 (*2026 Filing Requirements for Electricity Distribution Rate Applications - Incentive Rate-Setting Applications*)
- Revised section 2.9.1.6 to note that distributors are expected to refer to the *Filing Requirements for Electricity Distribution Rate Applications, 2025 Edition for 2026 Rate Applications*, for the detail required to support disposition of the COVID-19 Account
- Removed content on Lost Revenue Adjustment Mechanism Variance Account disposition requests related to conservation and demand management (CDM) programs delivered under previous CDM Frameworks

## Chapter 5

- Updated the Distributor-Specific Reliability Targets section based on OEB-issued correspondence on January 28, 2025 and October 3, 2025
- Distributors using the OEB's March 2024 DSP Sample<sup>13</sup> must consider updates made to the filing requirements for both 2026 and 2027 rate applications<sup>14</sup>

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<sup>13</sup> Suitable for cost of service applications for very small distributors (i.e., less than 5,000 customers)

<sup>14</sup> In addition to the [DSP Sample](#), the OEB posted a [DSP Requirement & Information Requirements](#) document to guide very small distributors in preparing their DSP.