

February 12, 2021

Christine Long
Registrar
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Long:

EB-2020-0133 – COVID-19 Deferral Account Consultation – CCC Reply Submissions

On December 16, 2020, the Ontario Energy Board Staff (“OEB”) released a paper that had been developed as part of the OEB’s Consultation on the Deferral Account – Impacts Arising from the COVID-19 Emergency (“Staff Proposal”). On January 14, 2021, the OEB held a Stakeholder Meeting for the OEB to present the Staff Proposal and consider questions from a wide range of stakeholders. On January 25, 2021, parties filed initial submissions.

These are the reply submissions of the Consumers Council of Canada (“Council”) regarding the Ontario Staff Proposal. In its initial submission, the Council concluded:

The Council submits that the OEB should assess whether Ontario regulate entities qualify for the recovery of costs related to the COVID-19 pandemic on the basis of need. Cost recovery should only be permitted when required to ensure the financial integrity of the entities is maintained. The OEB should consider each application on a case-by-case basis.

The OEB could establish a trigger mechanism like that proposed by OEB Staff, but the Council is of the view that 300 basis points is too high given current economic conditions. In addition, the OEB should make it clear that the potential recovery will be based on a wholesale look at each entity. The onus will be on those entities to demonstrate a threat to their financial viability, and that they have taken all of the necessary measures to mitigate that threat. There must be an appropriate balance between the interests of ratepayers and the entities that the OEB regulates. In these unprecedented times ratepayers should not be expected to subsidize the returns of the The Ontario regulated entities.

The Council has reviewed the submissions made by other parties including the submissions of the Ontario Energy Association on behalf of the Coalition of Large Distributors+ and the Electricity Distributors Association. Having reviewed the submissions, we continue to maintain the positions set out in our submissions dated January 25, 2021. We note that the positions of most of the ratepayer groups are aligned and support the principle of necessity, but agree that OEB Staff’s application of that principle is not an appropriate approach.

Yours truly,

Julie E. Girvan

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CC: All Parties