

BY EMAIL

October 19, 2023

To: All Licensed Electricity Distributors
All Rate-Regulated Gas Distributors
All Licensed Transmitters
All Licensed Gas Marketers
All Licensed Electricity Retailers
All Licensed Unit Sub-Meter Providers
Independent Electricity System Operator
Ontario Power Generation
All Other Interested Parties

Re: Chief Commissioner Mid-Year Update 2023-24

With the first half of fiscal year 2023-24 now complete, and in follow-up to the mid-year review letter sent to you by Ontario Energy Board (OEB) CEO Susanna Zagar on October 17, 2023, I am pleased to provide a mid-point update on the adjudicative work at the OEB.

Leveraging professional expertise from across the entirety of our organization, the front half of this fiscal year was highlighted by the successful completion of our **first fully hybrid hearing**, Enbridge Gas's rate rebasing application. Held over 18 business days in July and August, this milestone event examined some of the most significant energy issues of our time, including the energy transition. In preparation, the OEB upgraded our main hearing room with new cameras and audio equipment. As a result, we are now able to accommodate both in-person and remote attendees at our hearings, provide additional choice to panels in determining the format of adjudicative events and offer alternatives to parties to decide how they can most effectively participate. The lessons we learned from holding this hybrid hearing will help us grow our abilities in this area and stand us in good stead for future adjudicative events.

The close of the second quarter also marked the time of year when we report the results of our **Adjudicative Dashboard**. Launched two years ago, the Adjudicative Dashboard is a key source of information that openly and transparently keeps the OEB accountable and stakeholders up to date on adjudicative efficiency. Updated twice a year, after the second and fourth fiscal quarters, it provides details of our adjudicative activity and shows our performance in meeting adjudicative performance standards we have set for ourselves. In the spirit of continuous improvement, we have now set separate targets for the total cycle time for delegated decisions versus panel decisions. Previously, the metric was reported at an aggregate level – both delegated and panel combined. Panel decisions are often more complex and require more time and therefore have a target of 85%, while the target for delegated decisions is 95%.



I am pleased to report, for the period April 1 to September 30, 2023, that:

- **120** decisions were issued.
- **94%** of panel decisions and **100%** of delegated decisions met or surpassed OEB performance standards.
- More than **80%** of all decisions were issued more than 14 days in advance of the decision metric date.
- The OEB **met all of its decision-writing timelines**, except in one proceeding.
- On average, **34** key regulatory documents were issued each month.

Many of those decisions issued were for licence renewals. The OEB continues to use its expedited process to renew the licences for electricity distributors and transmitters. For the 85 licence decisions issued in the first half of this fiscal year, the average time from a complete licensing application to the decision was 25 days, well ahead of the performance standard.

These metrics, and the narrative posted with the dashboard, provide transparent information about the OEB's adjudicative efficiency. One proceeding missed the total cycle time and decision-writing metrics. However, the decision was still issued months in advance of the effective date for the approved rates.

Beyond the Adjudicative Dashboard, I'd like to share several other important adjudicative activities underway over the past six months.

To modernize the way in which the OEB engages with the public, we updated the design and content of our **Notices of Hearing** and changed the way in which Notices are published, while meeting legal requirements. The changes were made to promote consumer understanding, better support awareness of OEB proceedings and to adjust to an evolving media environment.

Updates were also made to the online **Letter of Comment form**, which allows individuals to provide their views on adjudicative applications without registering as intervenors. Aligned with our ongoing commitment to protect consumers – and, in this case, their privacy – specific fields that contain personal information are now automatically removed before the Letter of Comment is added to the public record, improving efficiency and reducing the risk of human error. Language that clearly indicates which of the form's fields will be made public, and which will not, has also been added to the form.

Three reviews are now underway. The first, a review to update our **Handbook to Electricity Distributor and Transmitter Consolidations**, which covers mergers, acquisitions, amalgamations and divestitures, is expected to make amendments based on the experience of previous applications to the OEB and to address any continuing barriers to consolidation, while ensuring customers are protected. Having received initial feedback from distributors and intervenors throughout August and September we are now consolidating that feedback to develop proposals for broader consultation.



The second is a review of the current performance standards for applications related to **Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Storage and Well Drilling**, which aims to enhance the timely and efficient processing of natural gas facilities applications. It is expected that updated performance standards will be published by the end of the fiscal year.

Finally, driven by the Office of the Auditor General of Ontario's (OAGO) Value for Money Audit of November 2022, the **Very Small Utilities Working Group** was established. The group embarked on reducing regulatory burden for rate applications for utilities with fewer than 5,000 customers. Three working group meetings have been held with electricity distributors and an intervenor to secure initial feedback on opportunities to improve the efficiency of our cost-of-service rate review process.

Looking forward, one of our major initiatives expected to launch early next fiscal year is the **Cost of Capital Review**. The OEB plans to hold a generic hearing to review the deemed capital structure and return on equity formula to ensure they meet the fair return standard and reflect the risk profile of rate-regulated entities. This review will fulfill recommendations made in the OAGO's 2022 audit.

In summary, I want to acknowledge our dedicated team of OEB Commissioners and staff, without whom none of these accomplishments would have been possible. And to you, our stakeholders and participants, I offer my thanks and appreciation for the ongoing trust and support you have given us.

I welcome any comments or ideas you may have on how we can continue to improve adjudicative policies and procedures that benefit all of Ontario.

Sincerely,



Lynne Anderson
Chief Commissioner, Ontario Energy Board

Additional Resources:

- [Adjudicative Reporting Dashboard](#)
- [Changes to Notices of Hearing and Related Processes](#)
- [Letters of Comment](#)
- [Evaluation of Policy on Utility Consolidations](#)
- [Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Projects and Facilities in Ontario](#)
- [Regulatory Efficiency for Very Small Utilities](#)

