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Energy
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BY EMAIL AND WEB POSTING

March 27, 2025

**To: All Rate Regulated Electricity Distributors and Transmitters
All Other Interested Parties**

Re: Updates to Performance Standards for Consolidation Applications

In keeping with its commitment to modernize, and to promote accountability and predictability for regulated entities and other interested stakeholders, the Ontario Energy Board (OEB) is updating its performance standards for Mergers, Acquisitions, Amalgamations and Divestitures (MAADs) applications filed under section 86 of the OEB Act.¹

For applications filed on or after April 1, 2025, the updated performance standards set out in Appendix A of this letter and posted on the OEB's website will apply.

The changes described in this letter are intended to provide greater certainty about application processing timelines, to measure the OEB's performance and continually improve its operations.

Updated Performance Standards

Performance standards outline the typical procedural steps associated with processing a particular type of application and the typical number of calendar days for each step. The actual procedural steps and timelines for individual proceedings may vary, and may be affected by, among other matters, statutory holidays.

¹ *Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Sched. B.*

The current performance standards applicable to section 86 MAADs applications are determined by hearing type. They include:²

- 1) Oral Hearing
- 2) Written Hearing
- 3) No Hearing

The current performance standards for MAADs applications were established in 2009 and modified slightly in 2014. Since that time, the OEB's regulatory practices, processes and requirements have evolved including the issuance of an updated [Handbook to Electricity Distributor and Transmitter Consolidations: Rate-making Considerations and Filing Requirements for Consolidation Applications](#) (2024 MAADs Handbook).³

In developing updated performance standards, the OEB was also informed by a review of historical application processing timelines and an overall assessment of days that may realistically be required for some of the components.

As was the case with other applications types for which the OEB established new performance standards, the OEB determined that application complexity influences the time required for review and processing of MAADs applications, and this is therefore not necessarily related to the type of hearing.⁴ Accordingly, in line with other recently revised performance standards for other application types, the OEB is establishing a "complex" standard and a "short-form" standard which will replace the current "oral" and "written" standards, respectively. The OEB is also renaming its "no hearing" standard to a "no notice" standard.

Effective April 1, 2025, for applications filed under sections 86(1)(a) and (c) and 86(2)(a) and (b) of the OEB Act (consolidation applications), the OEB will apply the new "short-form" performance standard as the default standard in processing an application. The OEB's 2024 MAADs Handbook applies to applications filed under these sections of the OEB Act.

The OEB's recently issued 2024 MAADs Handbook provides greater clarity on the scope of MAADs applications and the OEB's expectations with respect to these applications. The OEB anticipates that the new "short-form" performance standard will allow sufficient time to process an application and will be assumed to be the default standard for consolidation applications. The new "complex" performance standard

² Historically, applications filed under sections 86(1)(a) and (c) and 86(2)(a) and (b) have typically been processed through an oral or written process. Sections 86(1)(a) and (c) of the OEB Act relate to asset sales and amalgamations. Section 86(2) of the OEB Act relates to voting securities.

³ Originally issued June 18, 2024, revised July 11, 2024.

⁴ Rates standards in 2019, Leave to Construct standards in 2021, natural gas Quarterly Rate Adjustment Mechanism standards in early 2023, and natural gas Facilities standards in late 2023.

would be an option available to the OEB should it determine that the nature of the application warrants additional processing time. The OEB may choose to apply the “complex” standard either at the outset of a proceeding, or during the proceeding, to reflect case development. For example, if an application as filed, deviates significantly from the policies set out in the 2024 MAADs Handbook, the OEB may choose to apply its “complex” performance standard in processing the application at the outset.

The new “no notice” standard will typically apply to applications filed under section 86(1)(b) of the OEB Act. Historically, these applications have typically been decided by a delegated authority and processed without a hearing.⁵ These applications generally include the sale of specific distribution or transmission assets from one distributor or transmitter to another, or to a large consumer who is served by the same assets.

Changes to Procedural Steps

The OEB has amended certain steps within the performance standards to provide sufficient time for the interrogatory process and submissions. Stakeholders generally supported extending timelines for processing consolidation applications. Certain periods between steps such as 10 days for filing responses to interrogatories or two days for filing submissions after an argument-in-chief were acknowledged to be insufficient for consolidations applications that contained many different aspects, such as revenue requirement analyses, accounting and licensing matters.

Total cycle time for the new short-form standard is therefore two weeks longer than the previously used written hearing standard, while the total cycle time for the new complex standard, which the OEB anticipates will be used sparingly, is 45 days longer than the previous oral hearing standard. The OEB notes that under the old written hearing standard, the OEB met its total cycle time approximately 50% of the time and, and under the oral hearing standard, the OEB did not meet this metric for any application since 2009.

The historical analysis conducted shows the majority of applications processed through the oral hearing standard since 2009 have contained a Technical Conference and that expert evidence was rarely filed. The OEB has therefore replaced the expert evidence steps with a provision for a Technical Conference which reduced the total cycle time than otherwise would be the case. This does not preclude expert evidence from being filed in proceedings if an OEB Panel finds it relevant.

⁵ These applications may be decided by OEB staff acting under delegated authority under section 6 of the OEB Act or by an OEB panel of Commissioners.

To reiterate, the schedules identify the typical procedural steps as well as the number of days for each step. The actual procedural steps and timelines for individual applications may vary.

The OEB's Metrics

Total cycle time for each updated performance standard is shown in Table 1. Total cycle time for the updated performance standards is the number of days from the issuance of a completeness letter⁶ to the issuance of the final decision. Consistent with previous performance standards updated in recent years, the OEB will also track a decision writing metric for decisions by a Panel of Commissioners. This metric will track the time taken by the OEB to issue its decisions from the close of the record. Depending on the performance standard used, 30-day and 60-day time frames are established. As noted above, the OEB expects that the short-form standard will apply to the large majority of consolidation applications including a 30-day decision writing period.

Table 1: Updated Metrics

	Elapsed Calendar Days	
	Decision Writing Period	Total Cycle Time
Complex	60	225
Short-Form	30	145
No Notice	30	90

The updated performance standards schedule for each application type is contained in Appendix A.

Any questions relating to this letter should be directed to Industry Relations at industryrelations@oeb.ca.

Yours truly,

Lynne Anderson
Chief Commissioner

⁶ The OEB conducts a preliminary review of each application to ensure the information presented is complete and consistent with the filing requirements, as applicable. The OEB will not commence a proceeding until the OEB is satisfied that any deficiencies have been addressed. The OEB will strive to communicate the results of the preliminary review in 14 calendar days.

APPENDIX A

OEB PERFORMANCE STANDARDS

**SECTION 86 MERGERS, ACQUISITIONS, AMALGAMATIONS AND
DIVESTITURES APPLICATIONS**

Mergers, Acquisitions, Amalgamations and Divestitures

Section 86

Complex

EVENT	Calendar Days Elapsed
Application filed	-14
Letter acknowledging receipt of application	-10
Completeness Letter issued	0
Notice of Application issued ¹	10
Affidavits of Service Received	20
Interventions received	35
Procedural Order issued	45
Interrogatories issued	66
Applicant's responses to interrogatories received	87
Technical Conference	101
Oral Hearing	116
Applicant's written argument-in-chief received	123
OEB staff and intervenor submissions received	144
Applicant's written reply argument received	165
Decision and Order issued	225

Note: if expert evidence is filed during a proceeding, it may add up to 45 days to the total cycle time or, if no oral hearing takes place, it may take the place of an oral hearing.

¹ An application must contain sufficient information to allow a Notice of Application to be published.

Mergers, Acquisitions, Amalgamations and Divestitures

Section 86

Short-Form

EVENT	Calendar Days Elapsed
Application filed	-14
Letter acknowledging receipt of application	-10
Completeness Letter issued	0
Notice of Application issued ¹	10
Affidavits of Service Received	20
Interventions received	35
Procedural Order issued	45
Interrogatories issued	59
Applicant's responses to interrogatories received	73
Applicant's argument-in-chief received	83
OEB staff and intervenor submissions received	99
Applicant's reply argument received	115
Decision and Order issued	145

¹ An application must contain sufficient information to allow a Notice of Application to be published.

Mergers, Acquisitions, Amalgamations and Divestitures

Section 86

No Notice

EVENT	Calendar Days Elapsed
Application filed	-14
Acknowledgement of receipt of application	-10
Completeness Letter	0
OEB staff clarifying questions, if any	45
Applicant's response received	55
Decision and Order issued	90

Note: This schedule is generally used for the sale of specific distribution or transmission assets from one distributor or transmitter to another, or to a large consumer who is served by the same assets.