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## OEB Approves Recovery of Foregone Revenue by Electricity Transmitters

By Fred D. Cass

We have previously written about a July 2020 Ontario Energy Board decision regarding 2020 Uniform Transmission Rates for licensed electricity transmitters. In the July decision, the OEB took steps to minimize impact on electricity customers and provide rate stability during the COVID-19 pandemic. Specifically, the OEB decided that approved 2020 UTRs would not be implemented at the time of the July decision. Instead, the OEB decided that the 2020 UTRs put in place on an interim basis on January 1, 2020 would continue for the remainder of 2020 and each transmitter would use a Foregone Transmission Revenue Deferral Account to record the difference between revenue determined under the interim 2020 UTRs and revenue that would have been received under the approved 2020 UTRs.

The OEB issued its decision approving 2021 UTRs on December 17, 2020. In the 2021 UTR decision, the OEB addressed recovery of foregone revenue recorded by transmitters in accordance with the July 2020 decision. Foregone revenue for Ontario's largest electricity transmitter, Hydro One Networks Inc., was approximately \$54.5 million and foregone revenue for the other electricity transmitters was approximately \$8.5 million. The OEB approved recovery of HONI's foregone revenue over a two-year period and recovery by the other transmitters over a one-year period. The forgone revenue to be collected in 2021 for all transmitters is \$35,810,311, which, the OEB said, represents a 2.1% increase from the 2020 Interim UTR revenue requirement.

Overall, based on the final 2021 transmission rates pool revenue requirement, the estimated impact of OEB-approved changes to UTRs on the bill of a typical residential electricity customer is 0.6% and the estimated impact on the bill of a typical transmission-connected customer is 0.8%.

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