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## OEB Receives Comments on Issues Relating to Account for Utilities to Record COVID-19 Impacts

By Fred D. Cass

The OEB has received comments on the Draft Issues List for its consultation on a deferral account for utilities in the electricity and natural gas sectors to record impacts arising from the COVID-19 emergency. The high level of interest in the OEB's consultation is apparent from the number and scope of the comments that were provided on the Draft Issues List. Consistent with the OEB's stated expectation that the utilities and groups representing the same interests make every effort to coordinate their participation in the consultation, some participants worked together to file joint comments. Even so, the OEB received about 20 sets of comments on the Draft Issues List.

By way of background, the OEB issued an accounting order on March 25, 2020 in which it ordered the establishment of an account, together with three sub-accounts, for electricity distributors to track incremental costs and lost revenues related to the COVID-19 emergency ("Account 1509 - Impacts Arising from the COVID-19 Emergency"). The OEB also established similar sub-accounts for natural gas distributors and, on April 29, 2020, it confirmed that two sub-accounts of the account are applicable to electricity transmitters and Ontario Power Generation Inc. (OPG). Thus, the account applies in respect of all entities that are subject to rate regulation by the OEB.

In a letter issued on May 14, 2020, the OEB indicated its intention to initiate the consultation to assist it in developing new accounting guidance relating to the account and filing requirements, where appropriate, for the review and disposition of the account, giving due regard to bill impacts on customers. The OEB provided a Draft Issues List developed by OEB staff for the consultation, which set out issues grouped into five areas, as follows: A) advanced policy direction, B) general principles, C) accounting matters, D) nature of costs and materiality, and E) recovery mechanism and timing.

Following a Preliminary Stakeholders Meeting on May 28, 2020, comments on the Draft Issues List were to be filed by June 11, 2020. The OEB has allowed stakeholders an opportunity to respond to comments made by other stakeholders and these reply comments are due by June 18, 2020. After receiving the reply comments, the OEB will issue a final issues list and any "advanced policy direction", as required, will follow in due course. A stakeholder meeting will be convened, beginning on July 28, 2020, to provide a forum for discussion of the issues in the consultation. Not surprisingly, in view of uncertainty about appropriate COVID-19 precautions for consultations to proceed in late July, the OEB has not yet given direction regarding the form that the stakeholder meeting will take. According to the OEB, the stakeholder forum will be conducted either at the OEB's office, or via webinar, in a format yet to be determined.

### Author



**Fred D. Cass**  
Partner  
T 416.865.7742  
fcass@airdberlis.com

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