



Ontario Energy Board  
Commission de l'énergie de l'Ontario

The following tables outline the projects that will comprise the OEB's Multi-year electricity rate setting plan as well as key milestones in the implementation of the plan.

Projects that are part of the Multi-year rate setting plan		
1.	Cost Allocation	October 2006 to February 2007
2.	2nd Generation Incentive Mechanism	March 2006 to September 2006
3.	Cost of Capital	April 2006 to October 2006
4.	Comparators and Cohorts – Phase 2	June 2006 to March 2007
5.	Distribution Rate Design Paper (Smart Meter Rate Design)	January 2007 to June 2007
6.	Asset Management, Depreciation and Working Capital	March 2007 to July 2007
7.	Line Losses and Distributed Generation	September 2007 to March 2008
8.	3rd Generation Incentive Mechanism	March 2007 to July 2008

Key Milestones for Setting Rates	
1.	<p><b>For 2007 rates effective May 1, 2007</b></p> <ul style="list-style-type: none"> <li>- a generic cost of capital review will be undertaken and all LDCs who apply will have a 2nd generation incentive rate adjustment.</li> </ul>
2.	<p><b>For 2008 rates effective May 1, 2008</b></p> <ul style="list-style-type: none"> <li>- LDCs will be screened and divided into 3 groups, the 2008 group, the 2009 group and the 2010 group.</li> <li>- the 2008 group will file a cost of service application. Elements of the application may include: <ul style="list-style-type: none"> <li>a) Asset management, depreciation and working capital; and</li> <li>b) Smart Meter distribution rate design implementation.</li> </ul> </li> <li>- the 2009 group and the 2010 group will have their rates adjusted using the 2nd generation incentive mechanism.</li> </ul>

### Key Milestones for Setting Rates continued

#### 3. For 2009 rates effective May 1, 2009

- the 2008 group will have their rates adjusted using the new 3rd generation incentive mechanism.
- the 2009 group will file for a cost of service application. Elements of the application may include:
  - a) Asset management, depreciation and working capital; and
  - b) Smart Meter rate design, and c) Line losses and distributed generation.
- the 2010 group will have their rates adjusted using the 2nd generation incentive mechanism.

#### 4. For 2010 rates effective May 1, 2010

- the 2008 group and 2009 group will have their rates adjusted using the new 3rd generation incentive mechanism.
- the 2010 group will file for a cost of service application. Elements of the application include:
  - a) Asset management, depreciation and working capital; and
  - b) Smart Meter rate design; and
  - c) Line losses and distributed generation.

### Additional Information

Approximately one-third of distributors will have their revenue requirement re-based in each of 2008, 2009 and 2010.

Selection of distributors will be based, among other things, on:

- a) comparator and cohort information screening;
- b) significant cost allocation issues needing to be addressed;
- c) prior direction in a Board decision; and
- d) need and ability to implement new rate design.

For more information, contact Market Operations by phone: 416-440-7604 or by e-mail: [market.operations@oeb.gov.on.ca](mailto:market.operations@oeb.gov.on.ca)