



EB-2014-0060

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Cambridge and North Dumfries Hydro Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2015.

PROCEDURAL ORDER NO. 2

November 25, 2014

Cambridge and North Dumfries Hydro Inc. (“CND”) filed a complete application (the “Application”) with the Ontario Energy Board (the “Board”) on October 15, 2014 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, and under the Board’s Filing Requirements for Incentive Regulation Rate Applications. CND is seeking approval for changes to the rates that CND charges for electricity distribution, to be effective May 1, 2015.

The Board issued a Notice of Application and Hearing on October 24, 2014. The Energy Probe Research Foundation (“Energy Probe”) and the Vulnerable Energy Consumers Coalition (“VECC”) applied for intervenor status and cost eligibility in relation to CND’s proposed Z-factor ice storm claim and its request to clear the balance in an account which tracks the difference between the actual revenue impacts of conservation programs compared to what CND had predicted. Toyota Motor Manufacturing Canada Inc. (“Toyota”) applied for intervenor status in relation to CND’s proposal to charge distribution rates to it on the basis of its facilities’ total electrical demand, including any load served by on-site generation, otherwise known as gross load billing. In its letter requesting intervenor status, dated November 14, 2014, Toyota also provided certain information concerning its planned in-service date of its cogeneration facility.

In Procedural Order No. 1, issued November 18, 2014, the Board granted Energy Probe, VECC and Toyota intervenor status, and found Energy Probe and VECC to be eligible to apply for an award of costs under the Board's Practice Direction on Cost Awards.

On November 20, 2014, the School Energy Coalition ("SEC") filed a late Notice of Intervention with the Board. SEC states that the Notice of Application did not reference CND's proposal for gross load billing and, therefore, it did not initially seek intervenor status. Due to the potential inclusion of that issue, and the proposed Z-factor, SEC now requests intervenor status in this proceeding. SEC submits that if the Board allows the late intervention, SEC will adhere to the schedule set out in Procedural Order No. 1.

The Board has determined that SEC is granted intervenor status and is eligible to apply for an award of costs in relation to CND's proposed Z-factor ice storm claim.

Scope of Hearing

As stated section 3.4 of the Board's *Filing Requirements for Electricity Distribution Rate Applications - 2014 Edition for 2015 Rate Applications*, issued July 25, 2014, the IRM application process is intended to be mechanistic in nature. The Filing Requirements specifically provide that "the IRM process is not the appropriate way for a distributor to seek relief on issues which are specific to only one or a few distributors, more complicated relative to issues typical of an IRM application, or potentially contentious." The Board finds that CND's gross load billing proposal is inappropriate in the context of an IRM application.

The Board is also not satisfied that the gross load billing issue is likely to have a material financial impact on the distributor in the rate year being considered in this proceeding. CND has estimated that its annual revenue loss due to Toyota's load displacement generation would be \$255,000 (or \$21,250/month), if CND did not have recourse to gross load billing. While CND and Toyota have provided different estimates of the in-service dates for the load displacement generation project (October and December 2015, respectively), in neither case does the cumulative revenue impact, assuming a month-end in-service date, exceed CND's materiality threshold of \$136,030 (based on CND's approved 2014 revenue requirement of \$27.2M).

The Board will not hear CND's gross load billing proposal in this application and, accordingly, requests that the parties refrain from asking interrogatories or making submissions pertaining to it or with respect to the load forecast. These issues are not in scope in this proceeding.

The Board notes that CND is able to apply for a stand-by rate or for gross load billing as a separate application in order to deal with load displacement generation activities. The Board considers it necessary to make provision for the following matter related to this proceeding. The Board may issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

1. The schedule for the filing of interrogatories and submissions by parties is unchanged from the schedule provided in Procedural Order No.1.

All filings to the Board must quote the file number, EB-2014-0060 and be made electronically through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/> in searchable / unrestricted PDF format. Two paper copies must also be filed at the Board's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Suresh Advani at Suresh.Advani@ontarioenergyboard.ca and Board Counsel, Richard Lanni at Richard.Lanni@ontarioenergyboard.ca.

ADDRESS

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DATED at Toronto, **November 25, 2014**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix 'A'

To

Procedural Order No. 2

Cambridge and North Dumfries Hydro Inc.

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Applicant and List of Intervenors

November 25, 2014

**Cambridge and North Dumfries Hydro Inc.
EB-2014-0060**

APPLICANT & LIST OF INTERVENORS

November 25, 2014

APPLICANT

Rep. and Address for Service

**Cambridge and North
Dumfries Hydro Inc.**

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INTERVENORS

Rep. and Address for Service

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APPLICANT & LIST OF INTERVENORS

November 25, 2014

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November 25, 2014

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EB-2014-0060**

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November 25, 2014

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