



EB-2013-0416

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 Hydro One Networks Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective January 1, 2015, and each year to December 31, 2019.

DECISION AND INTERIM RATE ORDER
December 18, 2014

Hydro One Networks Inc. (“Hydro One”) filed a cost of service rate application with the Ontario Energy Board (the “Board”) on December 19, 2013 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Hydro One charges for electricity distribution, to be effective January 1, 2015 and each year thereafter to December 31, 2019. The Board issued a Notice of Application and Hearing dated January 24, 2014. Hydro One supplemented its application with additional material filed January 31, 2014 and with an evidence update filed on May 30, 2014.

The Board held a series of three transcribed technical conferences on April 1, 10 and 23 and also held a transcribed session on May 12, 2014 during which Hydro One senior management made a presentation on the application. The Board approved the issues list for this case on May 20, 2014. Following an interrogatory process, a further technical conference was held on July 21 and 22, 2014. A settlement conference was held on July 28, 2014 but no settlement was achieved.

The oral hearing for this proceeding began on September 8, 2014 and the evidentiary portion concluded on September 18, 2014. Hydro One presented oral argument-in-chief

on September 24, 2014. The Board received submissions from Board staff and fifteen intervenors; and the record closed with receipt of reply argument from Hydro One on October 27, 2014.

The Board's decision may not be issued until after the proposed effective date of January 1, 2015. The Board is therefore declaring Hydro One's current approved distribution rates interim as of January 1, 2015 pending the Board's final decision on this application. This determination is made without prejudice to the Board's decision on the application, and should not be construed as predictive, in any way whatsoever, of the Board's final determination with regards to the effective date of rates arising from this application.

At this time the Board will also issue a decision on the request by Hydro One to discontinue the collection of revenue through the Regulation 330/09 renewable generation connection funding adder from provincial ratepayers on December 31, 2014. Hydro One has been collecting \$19,700,000 annually from all ratepayers since 2010 as the provincial share of its investments to connect renewable generation to its system. As Hydro One has shown that it has significant credit balances in the related deferral accounts, the Board will grant its request to discontinue collection of this amount.

The timing of this decision will allow it to inform the Board's order regarding renewable generation connection amounts effective January 1, 2015, and will significantly reduce the amount collected from all Ontario customers.

The Board considers it necessary to make provision for the following matters related to this proceeding.

THE BOARD ORDERS THAT:

1. Hydro One Networks Inc.'s current Board-approved Tariff of Distribution Rates and Charges is declared interim effective January 1, 2015.
2. Hydro One Networks Inc.'s request to discontinue collection of revenue through the Regulation 330/09 renewable connection funding adder from provincial ratepayers as of December 31, 2014 is granted.

DATED at Toronto, December 18, 2014

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary