



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

DECISION ON SETTLEMENT PROPOSAL

EB-2014-0116

TORONTO HYDRO-ELECTRIC SYSTEM LIMITED

Decision on the settlement proposal filed by Toronto Hydro-Electric System Limited with respect to its proposed increase in its wireline pole attachment rate to be effective May 1, 2015

BEFORE: Ken Quesnelle
Presiding Member

Cathy Spoel
Member

July 23, 2015

INTRODUCTION AND SUMMARY

Toronto Hydro-Electric System Limited (Toronto Hydro) filed a Custom Incentive Rate (CIR) application (the Application) with the Ontario Energy Board (the OEB) on July 31, 2014 under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998 seeking approval for changes to the rates that Toronto Hydro charges for electricity distribution, to be effective May 1, 2015 and each year until December 31, 2019. Commencing in 2016, rates will be effective January 1.

On March 5, 2015, a Notice of Motion (the motion) was filed with the OEB by Rogers Communications Partnership (Rogers) on its own behalf as well as on behalf of Allstream Inc. and Cogeco Cable Inc. on behalf of itself and its affiliates, including Cogeco Cable Canada LP and Cogeco Data Services Inc. and TELUS Communications Company and its affiliates (collectively the Carriers). The motion requested that the OEB issue an order striking out the request by Toronto Hydro in the Application for an increase in its annual wireline pole attachment rate and also dealt with related matters.

On April 29, 2015, the OEB issued Decision and Procedural Order No. 10 which established among other things that an oral hearing on Toronto Hydro's request for an increase in its wireline pole attachment rate would be held on June 9 and June 11, 2015.

On June 7, 2015, the OEB received a letter from Toronto Hydro counsel pertaining to this matter, stating it was written with the consent of the Carriers. The letter noted that Toronto Hydro and the Carriers have had a number of productive discussions in an attempt to resolve this matter and requested the opportunity to continue these discussions with the remaining interested parties. The letter asked that the OEB adjourn the hearing scheduled to begin June 9, 2015 and schedule a settlement conference for that time in its place.

On June 8, 2015, the OEB issued Procedural Order No. 11 which stated that the OEB had considered the request of Toronto Hydro and the Carriers and would adjourn the oral hearing scheduled to begin on June 9, 2015 until June 11, 2015 so that settlement discussions with the remaining interested parties could take place on June 9, 2015.

On June 9, 2015, the OEB received a letter from Toronto Hydro which advised that a complete settlement of the wireline pole attachment rate had been reached by parties and it was anticipated that a settlement proposal for the OEB's consideration would be filed by June 11, 2015.

On June 11, 2015 Toronto Hydro filed a settlement proposal with the OEB with respect to this matter to be effective May 1, 2015.

The parties to the settlement proposal were stated as Toronto Hydro and the following OEB-approved intervenors in the proceeding: the Association of Major Power Consumers in Ontario, the Building Owners and Managers Association of Greater Toronto, the Consumers Council of Canada, Energy Probe Research Foundation, the School Energy Coalition, and Vulnerable Energy Consumers Coalition, collectively referred to as the Ratepayer Intervenors, and the Carriers.

The settlement proposal represented an agreement on the sole issue of Toronto Hydro's wireline pole attachment rate which was proposed to be set at \$42 per pole/per year.

On June 12, 2015, OEB staff filed a submission stating that it had reviewed the settlement proposal in the context of the objectives of the Renewed Regulatory Framework for Electricity, other applicable OEB policies, relevant OEB decisions, and the OEB's statutory obligations. On the basis of its review, OEB staff expressed the view that the settlement proposal reflects a reasonable outcome for all customers of Toronto Hydro.

OEB staff submitted that when considering the wireline pole attachment rate, the OEB's objectives needed to be balanced by the OEB in determining the appropriate wireline rate. OEB staff noted that the original rate was set in 2005 by the OEB in RP-2003-0249. In that decision the OEB determined that the appropriate rate was \$22.35. In this proceeding evidence was filed by both Toronto Hydro and the Carriers which set out a range of values for the wireline pole attachment rate from \$15.28 to \$66.49. OEB staff submitted that the proposed rate of \$42 per pole/per year was appropriate and reasonable in the specific circumstances of this proceeding as the impact of this proposal on distribution rates would result in minimal bill impacts for customers.

OEB staff concluded that the OEB's approval of the proposal as filed would adequately reflect the public interest and would result in just and reasonable rates for customers.

OEB Findings

The OEB accepts the settlement proposal as filed by Toronto Hydro for the reasons submitted by OEB staff.

DATED at Toronto July 23, 2015

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary