



January 7, 2016

By Email, RESS, and Same Day Courier

Ontario Energy Board
2300 Yonge Street
27th Floor, P.O. Box 2319
Toronto ON M4P 1E4

Attention: Kirsten Walli, Board Secretary
Harold Thiessen, Case Manager
Jennifer Lea, Board Co-Counsel
Ian Richler, Board Co-Counsel

TIMOTHY PINOS

 Certified as a
Specialist
in Civil Litigation

tpinos@casselsbrock.com
tel: 416.869.5784
fax: 416.350.6903
file # 035401-00036

Dear Sir/Madam:

**Re: OEB File: EB-2015-0141 – Motion for Review and Variance of Decision
EB-2013-0416/EB 2014-0247**

The Carriers have reviewed the supplementary evidence submitted by Hydro One in this proceeding dated December 22, 2015 (the “**Supplementary Evidence**”). The Supplementary Evidence is inappropriate and prejudicial and should not be considered by the OEB. Accordingly, for the reasons that follow, the Carriers seek a determination by the OEB, prior to the start of the Technical Conference which is scheduled on January 12, 2016 that the Supplementary Evidence be excluded from consideration in the context of this proceeding.

The Carriers brought this motion to review and vary the determination of the Pole Attachment Rate of \$37.05 made by Hydro One, which was ultimately approved by the OEB in its decision in EB-2013-0416. If Hydro One desired an increase of the Pole Attachment Rate set by the OEB based on new information, it ought to have brought a review and vary motion before the OEB.

Hydro One did not do so. Instead, it first sought to improperly supplement its evidence at the late stages of this proceeding through the ruses of interrogatories where it would have the Carriers make calculations based on new information on Hydro One’s behalf. As the Carriers declined to make these calculations on Hydro One’s behalf, Hydro One is now attempting to put this new information and calculations on the record by way of further evidence; suggesting that it is doing so at the request of the Carriers. This request is misleading and disingenuous. The Carriers’ statements regarding Hydro One interrogatories #1 and #2 were made in response to requests by Hydro One that the Carriers complete certain calculations which are irrelevant to the Carriers’ evidence filed in this proceeding.

Issues raised in the Supplementary Evidence, specifically the use of 2014 actual cost inputs or forecast 2015 costs in the calculation of the Pole Attachment Rate, are outside the scope of this

proceeding and offside the OEB's direction in Procedural Order #4 dated October 26, 2015. In that order, the OEB directed that its review of the Pole Attachment Rate in this proceeding would be "within the context of the current approved OEB methodology as described in Decision and Order RP-2003-0249" [emphasis added.] That methodology involved calculation of indirect costs, to be included in the Pole Attachment Rate, based on *historical costs* determined in a 1995 Milton Hydro costs study, which was filed in that proceeding. Accordingly, the suggested use of actual or forecast cost inputs by Hydro One in setting the Pole Attachment Rate is entirely inappropriate in the context of this proceeding.

The Carriers' evidence in this proceeding was prepared and submitted on the basis that the OEB would consider the Pole Attachment Rate using the OEB-approved methodology. Upon any departure from the approved methodology, the Carriers may be compelled to request an opportunity to consider and file further evidence regarding the proposed new methodology.

Hydro One's suggested use of 2014 actual cost inputs or 2015 forecast cost inputs to calculate the Pole Attachment Rate, when 2012 historical cost inputs were consistently applied by the OEB in the balance of its decision in EB-2013-0416 (not forecasts), is contrary to foundational principles of ratemaking, prejudicial to the Carriers, and inappropriate in this proceeding.

Hydro One's proposed "corrections" to 2012 data contained in the Supplementary Evidence are entirely unsubstantiated and may be unreliable. Hydro One does not seek to explain the cause of or reasons for its purported errors. Nor does it substantiate the source and method of calculation of the new numbers. Accordingly, the changes or "corrections" to the 2012 data suggested by Hydro One ought not to be considered by the OEB in this proceeding.

Finally, in its motion, the Carriers raised a single issue – the improper inclusion of vegetation management costs in the Pole Attachment Rate, contrary to the approved methodology. The new information provided significantly affects the other components of the Rate, and if they are accepted as evidence, would require that the Carriers be afforded an opportunity to challenge this new evidence, which would be inconvenient and prejudicial at this advanced stage of the proceeding

The Carriers appreciate the OEB's consideration of this request.

Yours very truly,



Timothy Pinos
TP/gmc