



EB-2016-0201

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 accounting order to establish a deferral account.

BEFORE: Ken Quesnelle
Presiding Member

DECISION AND ORDER
September 23, 2016

Background

On July 18, 2016 the OEB issued its Regulated Price Plan Roadmap: *Guideline for Pilot Projects on RPP Pricing* (Guideline). With the release of the Guideline, the OEB invited distributors to participate in developing and implementing priority price and non-price pilots that have been identified by the OEB. Participating in the pilot process will allow distributors to support the OEB in identifying options that may eventually be made available to all RPP eligible customers.

On August 19, 2016 Hydro One Networks Inc. (HONI) submitted an application to develop and implement price and non-price pilots, including the continuation of pilots that it currently has underway which would support the OEB's objectives as set out in the Guideline. In that application, Hydro One states that:

Hydro One is seeking to extend the existing [Smart Grid Fund] SGF in-field data collection from October 1, 2016 to April 30, 2017 in order to facilitate retaining existing recruitments until the current pilot EM&V results

are made available by May 1, 2017. This will enable transitioning to the new pilot by maintaining current recruitments, avoiding expensive future recruitment, maintaining customer experience by preventing a stop-and-go approach, and assessing persistence based on a longer time frame for customer data monitoring and analysis.

In order to provide appropriate lead notification to existing pilot participants whose commitment to the current SGF pilot ends on September 30, 2016, Hydro One will need to receive approval from the OEB for the funding of the bridge extension by mid-September, 2016.

The OEB is in the process of assessing the project overview applications received. If a proposal is accepted the distributors will be invited to submit a full proposal. The application review process is expected to be completed over the coming months.

Findings

The OEB agrees that there is value in extending HONI's existing SGF pilot and that HONI needs to provide appropriate notification to existing pilot participants to continue their participation.

The OEB has determined that it will grant HONI a deferral account for costs associated with extending the existing SGF pilot. Based on the information provided by HONI, it shall not record more than \$1 million in the account and all such amounts shall be limited to the costs for extending the pilots from October 1, 2016 to April 30, 2017. The disposition of the deferral account will be subject to an OEB determination of prudence prior to any disposition of the account.

THE BOARD ORDERS THAT:

1. Hydro One's application for the SGF Pilot deferral account is approved to be effective on October 1, 2016.
2. Hydro One shall file a draft Accounting Order with the OEB no later than October 7, 2016.
3. OEB staff shall file any comments on the draft Accounting Order with the OEB and forward to Hydro One no later than October 21, 2016.
4. Hydro One shall file with the OEB any comments on its draft Accounting Order within 4 days of the date of receipt of OEB staff comments.

DATED at Toronto, September 23, 2016

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary