



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

DECISION AND PROCEDURAL ORDER NO. 4

EB-2016-0085

INNPOWER CORPORATION

**Application for electricity distribution rates and other charges
beginning July 1, 2017**

BEFORE: Allison Duff
Presiding Member

Lynne Anderson
Member

Michael Janigan
Member

**September 20, 2017
Corrected September 21, 2017**

1. INTRODUCTION

InnPower Corporation (InnPower) filed an amended cost of service application with the Ontario Energy Board (OEB) on May 11, 2017 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 InnPower charges for electricity distribution, to be effective July 1, 2017.

The OEB issued Procedural Order No. 1 on May 16, 2017, which provided for the filing of interrogatories and responses. Procedural Order No. 2 was issued on May 26, 2017 to provide further notice of this application for specific customer groups. Procedural Order No. 3 was issued on September 1, 2017 which required, among other things, OEB staff to file a proposed issues list that had been agreed to by all parties on September 15, 2017 or inform the OEB that parties were unable to reach an agreement. On September 14, 2017, OEB staff informed the OEB that the parties had reached an agreement on a proposed issues list.

On September 11, 2017, InnPower filed a letter with the OEB requesting confidentiality in response to a request by School Energy Coalition to provide the most recent financial statements for InnServices Utilities Inc. (InnServices).

On September 14, 2017, InnPower filed a letter with the OEB regarding filings resulting from the Technical Conference and concern that the timing of these filings may pose difficulties for commencing the oral hearing on October 3, 2017 as currently scheduled.

The OEB approves the issues list and has determined the procedural steps to address the two letters received from InnPower. The OEB is not altering the dates for the oral hearing.

2. ISSUES LIST

OEB staff submitted an agreed to Issues List on September 14, 2017. The OEB has reviewed the proposed issues list and approves it for the purpose of this proceeding. This may be amended when the OEB issues further procedural direction related to pole attachment and microFIT charges. The approved issues list is attached as Schedule A.

3. REQUEST TO CHANGE PROCEDURAL STEPS

The OEB has reviewed correspondence from InnPower's counsel dated September 14, 2017 which states that InnPower is prepared to file the completed responses to all undertakings from the Technical Conference by September 20, 2017 in accordance with Procedural Order No. 3. InnPower also sought guidance from the OEB on whether it should undertake a comprehensive review of its application (called an "audit" by InnPower), as requested by OEB staff. InnPower said that if it undertakes to do this review, it could file any corrections to its evidence by September 27, 2017. InnPower also expressed concern that this timing may pose difficulties for commencing the oral hearing on October 3, 2017 as currently scheduled.

The OEB notes that the onus is on the applicant to ensure that the evidence it files in support of its application is complete and accurate. This is clearly stated in the Filing Requirements for Electricity Distribution Rate Applications, as follows:

The OEB's examination of an application and its subsequent decision are based on the evidence filed in that case. A complete and accurate evidentiary record is essential.¹

and

Applications must be accurate, and information and data presented must be consistent across all exhibits, appendices and models.²

It is therefore InnPower's responsibility to present accurate evidence based on which the OEB will make its decision. The OEB will not provide direction on whether InnPower needs to do an "audit" of its application to ensure it has provided a complete and accurate evidentiary record to support its case.

¹Filing Requirements for Electricity Rate Applications, Chapter 1 p.2

² *ibid*

The OEB sees no reason to provide direction to InnPower concerning its evidence, nor to alter the date for the oral hearing as set out in Procedural Order No. 3.

4. REQUEST FOR CONFIDENTIALITY

At the Technical Conference, the School Energy Coalition requested that InnPower provide the most recent financial statements for InnServices, an affiliate of InnPower that is engaged in competitive businesses namely the provision of water and wastewater services. InnPower requested confidential treatment for the financial statements. InnPower stated that public disclosure of InnServices' financial statements could reasonably be expected to prejudice the economic interest and competitive position of, cause undue financial loss to, and be injurious to the financial interest of InnServices since it would enable its competitors and potential customers and suppliers to ascertain the financial condition of the company. The OEB is inviting submissions from the parties as to whether there is any reason that the financial statements of InnServices should not be confidential.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders will be issued by the OEB.

5. ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Parties that object to confidential treatment of InnServices' financial statements shall make submissions on the request for confidentiality by September 27, 2017.

All filings to the OEB must quote the file number, EB-2016-0085, be made in searchable / unrestricted PDF format electronically through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/> Two paper copies must also be filed at the OEB'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.oeb.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, Fiona O'Connell at fiona.oconnell@oeb.ca and OEB Counsel, Ljuba Djurdjevic at ljuba.djurdjevic@oeb.ca.

ADDRESS

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

E-mail: Boardsec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, **September 21, 2017**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

SCHEDULE A
APPROVED ISSUES LIST
INNPOWER CORPORATION
2017 DISTRIBUTION RATES
EB-2016-0085
SEPTEMBER 21, 2017

**ISSUES LIST
EB-2016-0085
InnPower Corporation**

1.0 PLANNING

1.1 Capital

Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:

- customer feedback and preferences;
- productivity;
- compatibility with historical expenditures;
- compatibility with applicable benchmarks;
- reliability and service quality;
- impact on distribution rates;
- trade-offs with OM&A spending;
- government-mandated obligations;
- the objectives of InnPower and its customers;
- distribution system plan.

1.2 OM&A

Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:

- customer feedback and preferences;
- productivity;
- compatibility with historical expenditures;
- compatibility with applicable benchmarks;
- reliability and service quality;
- impact on distribution rates;
- trade-offs with capital spending;
- government-mandated obligations; and
- the objectives of InnPower and its customers.

2.0 REVENUE REQUIREMENT

2.1 Are all elements of the revenue requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?

- 2.2 Has the revenue requirement been accurately determined based on these elements?

3.0 LOAD FORECAST, COST ALLOCATION AND RATE DESIGN

- 3.1 Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of InnPower's customers?
- 3.2 Is the proposed cost allocation methodology, and are the allocations and revenue-to-cost ratios, appropriate?
- 3.3 Are InnPower's proposals for rate design appropriate?
- 3.4 Are the proposed Retail Transmission Service Rates and Low Voltage service rates appropriate?

4.0 ACCOUNTING

- 4.1 Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?
- 4.2 Are InnPower's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts and the continuation of existing accounts, appropriate?

5.0 OTHER

- 5.1 Are the proposed specific service charges appropriate?
- 5.2 Are the proposed pole attachment charges and microFIT charges appropriate?
Please note that this issue is subject to further direction from OEB, as per Procedural Order No. 3.
- 5.3 What is the appropriate effective date for 2017 rates?