

November 6, 2017

EMAIL

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

Dear Ms. Walli:

**Re: Alectra Utilities – Application for Distribution Rates and Other Charges
Effective January 1, 2018 (EB-2017-0024) – Comments re Draft Issues List**

We are counsel to the applicant, Alectra Utilities Corporation (“Alectra”), in the above-noted matter. We have now had an opportunity to review the submissions of parties in relation to the draft issues list. With the exception of Board Staff’s submission, these were received subsequent to Alectra filing its submission.

Procedural Order No. 2 invited Alectra and parties to provide comments on the draft issues list attached to the Order. It did not invite parties to ask for changes to any of the Procedural Orders and, in particular, to ask for a technical conference. Nevertheless, several parties did precisely that.¹ In Alectra’s submission, their requests should be denied.

As is evident from the OEB’s filing guidelines and focus on proportionate review, regulatory efficiency is an important consideration in all cases. This is particularly true for annual rate filings. A technical conference is inconsistent with this consideration.

Even as it relates to Alectra’s requests for ICM funding, there is no need for further discovery and adding such a step will only serve to delay the hearing. Parties have already been afforded the opportunity to ask interrogatories. They took full advantage of this opportunity, asking some 798 questions, all of which were answered by Alectra. The questions included detailed IRs in relation to Alectra’s capital plans. They also included questions in relation to the capitalization change. There is simply no substance, only a bald request, to the claimed need for a technical conference.

With respect to the balance of parties’ submissions, these confirm Alectra’s position that issue 1.1 should not be expanded to address the change to Horizon’s capitalization policy. Parties

¹ BOMA submission, p. 1; SEC submission, p.4; and VECC submission, p. 2.

recognized in the Horizon Settlement that accounting policy changes (such as a change in capitalization policy) might occur and that these would be dealt with through the ESM. But, at issue here are Horizon's 2016 earnings, not its post-merger 2017 earnings. SEC's question whether Alectra was "required to restate the prior year [2016]" is plainly wrong. The evidence is that the change was required as a result of the merger which gave rise to Alectra. Alectra did not exist in 2016, and has no earnings to restate.

It is apparent given parties interest in capitalization that a great deal of time will be spent on a matter that can have no bearing on the real questions raised by this application. In Alectra's respectful submission, this would be inefficient, and result in the needless expenditure of time and resources. To the extent this matter has any relevance – which Alectra denies – it can only be next year in the determination of Horizon's 2017 ESM.

Yours truly,



Crawford Smith

CS/tm