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March 14, 2019

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

Dear Ms. Walli:

Re: Application by Hydro One Networks Inc. for an order or orders approving rates for the transmission of electricity
Board File No.: EB-2018-0130

We are counsel to Anwaatin Inc. (**Anwaatin**) in the above-referenced proceeding. Please find enclosed Anwaatin's written submissions, filed pursuant to Procedural Order No 1.

Sincerely,

A handwritten signature in black ink that reads "Jonathan McGillivray". The signature is written in a cursive, flowing style.

Jonathan McGillivray

- c. Linda Gibbons, Hydro One Networks Inc.
Charles Keizer, Torys LLP
Larry Sault, Anwaatin Inc.
Don Richardson, Shared Value Solutions Ltd.

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B), as amended (the **Act**);

AND IN THE MATTER OF an application by Hydro One Networks Inc. for an order or orders made pursuant to section 78 of the Act approving rates for the transmission of electricity.

EB-2018-0130

SUBMISSIONS OF ANWAATIN INC.

March 14, 2019

INTRODUCTION AND OVERVIEW

1. We are counsel to Anwaatin Inc. (**Anwaatin**) in the Ontario Energy Board EB-2018-0130 proceeding to review Hydro One Inc.'s (**HONI's**) application for an order or orders pursuant to section 78 of the *Ontario Energy Board Act* (the **Act**) for changes to its electricity transmission revenue requirement to be effective January 1, 2019 (the **Application**). Specifically, HONI is seeking a Revenue Cap Index (**RCI**) adjustment to its transmission revenue requirement and a one-year adjustment to the resulting Uniform Transmission Rates (**UTR**) to allow recovery of that amount in 2019.
2. Anwaatin is a collective of Indigenous communities including Aroland First Nation, MoCreebec Eeyoud, and the Lake Nipigon First Nation communities represented through Waaskiinaysay Ziibi Inc. Development Corporation (**WZI**). Anwaatin is generally focused on achieving reliable, affordable, and sustainable energy for its member indigenous communities. To that end, Anwaatin has been very active on HONI's recent transmission and distribution rate cases reaching a Settlement Agreement¹ with HONI that impacts both its distribution and transmission rates. The Settlement includes the use of distributed energy resources to address very poor transmission and distribution reliability issues in certain Anwaatin communities.
3. **Background.** This Application appears to arise out of the Board's March 16, 2018 advice to HONI that it would consider HONI's distribution and transmission rates in a single application and the direction to file a transmission revenue requirement application for the four-year period from 2019-2022 in order to align the transmission and distribution applications and test year periods. HONI indicates that it is making this one year application for an RCI for 2019 transmission rate changes prior to filing a 3-year 2020-2022 custom IR rate application later this year, in part because of a number of changes in its executive team and Board of Directors staff changes that occurred over the summer of 2019.

¹ Settlement Agreement as approved by the Board in EB-2017-0335 (motion to review and vary the Board's Decision in EB-2016-0160) and in EB-2017-0049, Ex. I, Tab 6, Schedule Anwaatin-1, as approved in the Board's March 7, 2019 Decision in EB-2017-0049.

4. The OEB also asked parties to address the following questions in final submissions: (i) *Is it appropriate to use the rate setting parameters proposed for HONI SSM on a preliminary basis, or should another approach be adopted?*; (ii) *What should be the nature of the proposed variance account? Should it true up to the approved parameters for HONI SSM, true up to parameters determined in HONI's Custom IR proceeding, or some other option?*; (iii) *What additional evidence should HONI be required to file in its next Custom IR application with respect to the RCI parameters?*

Anwaatin's final submissions are predominantly focussed on the Board's final question, but briefly address portions of the Board's first two issues.

DETAILED SUBMISSIONS

5. **Use of HONI SSM factors.** Anwaatin does not oppose HONI's RCI transmission revenue requirement adjustment using the HONI SSM productivity and inflation parameters, but questions the efficiency and effectiveness of doing so for a period of one year, or less than one year, if HONI's request for a January 1, 2019 effective date is not granted. Anwaatin suggests that HONI and/or the Board may wish to pursue a much simpler mechanism for the 2019 year in order to mitigate potential customer confusion around new, complicated transmission rate revenue requirement mechanisms that are in place for maximally one year.
6. **True up.** The Board's questions regarding true up illustrate the potential complexity and customer confusion of truing up a one-year mechanism at a time of dynamism going into a 3-year Custom IR plan. Further, these complexities and potential confusion resulting from complex true up approaches are taking place at a time when customers are anticipating simplicity and significant rate reductions.
7. Anwaatin therefore submits that, where feasible, HONI and the Board should take a simple and customer-focused approach to addressing both the need for change during the 2019 calendar year and how any such change is undertaken.
8. **Additional evidence on RCI parameters for next Custom IR.** Anwaatin submits that there are a number of distributed energy resource and related changes that are likely to significantly impact productivity and relevant stretch factors during the 2020-2022 period

of the next custom incentive rate application. Specifically, Anwaatin is very hopeful that the battery storage system and the leading approach mandated in the Settlement Agreement will result in significant efficiencies and real savings for customers and HONI, while enhancing electricity reliability and mitigating energy poverty in Indigenous and remote communities.

9. Anwaatin therefore requests that the Board require HONI to report on: (i) the updated timelines of the Settlement Agreement pilot projects; (ii) the resulting reliability in the affected communities following completion of the pilot projects and periodically thereafter; (iii) the costs of the project and traditional wires alternatives; and (iv) any other such parameters that the Board views relevant to the its ongoing consideration of productivity, inflation, and stretch factors.

ALL OF WHICH IS RESPECTFULLY
SUBMITTED THIS 14th DAY OF MARCH,
2019.



Lisa (Elisabeth) DeMarco
DeMarco Allan LLP
Counsel for Anwaatin