



EB-2008-0230

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 **Greater Sudbury Hydro Inc.** for an order approving just and reasonable rates and other charges for electricity distribution to be effective **May 1, 2009**.

PROCEDURAL ORDER NO. 6

Greater Sudbury Hydro Inc. ("Greater Sudbury" or the "Applicant") filed an application with the Ontario Energy Board, received on December 22, 2008 under section 78 of the *Ontario Energy Board Act*, 1998, seeking approval for changes to the rates that Greater Sudbury charges for electricity distribution, to be effective May 1, 2009. The Board assigned the application File Number EB-2008-0230 and issued a Notice of Application and Hearing on January 13, 2009.

In Procedural Order No. 5, issued on June 8, 2009, the Board provided an Issues List for the proceeding. The Board also asked the Applicant and intervenors to file submissions on which specific issues they intend to cross examine in the event the Board decides to hold an oral hearing, and on which specific issues they intend to make submissions. The Issues List approved in Procedural Order number 5 is attached to this Procedural Order.

In its submission Greater Sudbury indicated that it had filed a comprehensive application of approximately 1,700 pages and it was subject to two sets of written interrogatories and a transcribed technical conference held with Board staff and intervenors. Greater Sudbury suggested that in the interest of all parties, particularly the ratepayers, the proceeding should be completed by way of written submissions.

VECC and SEC confirmed that evidence on a number of issues was sufficiently complete and did not require cross-examination prior to parties filing their submissions.

However, some key issues affecting the 2009 revenue requirement and rates required further discovery through cross-examination. Accordingly, both parties identified issues for cross-examination from the Issues List.

The Board has determined that it will hold a limited oral hearing focusing on specific issues. The Board considers it necessary to make provision for the following procedural matters. Please be aware that this Procedural Order may be amended, and further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT:

1. An oral hearing will be convened starting on **Thursday, July 23 and ending on Monday, July 27, 2009**. The hearing will be limited to six specific areas:

- i. Rate Base – Issues 2.1 to 2.3
- ii. Revenue Requirement – Issues 3.1, 3.2 and 3.5
- iii. Cost of Service – Issues 4.1 to 4.4
- iv. Cost of Capital – Issues 6.1 and 6.2
- v. Cost Allocation – Issues 7.1 and 7.2
- vi. Rate Design – Issues 8.1 to 8.4

All other issues will be addressed through written submissions. The hearing will be held at 2300 Yonge Street, Toronto, in the Board's West Hearing Room starting at 9:30 a.m.

2. The Applicant shall file with the Board its argument-in-chief on all issues and deliver it to the intervenors no later than Monday, August 10, 2009.
3. Argument with respect to all issues shall be filed with the Board by Board staff and intervenors on or before Monday, August 24, 2009 and served on the Applicant and other intervenors in this proceeding.
4. Reply argument of the Applicant shall be filed with the Board on or before Friday, September 4, 2009 and served on the intervenors.

All filings to the Board must quote file number EB-2008-0230, be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one

electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.oeb.gov.on.ca. If the web portal is not available you may email your document to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette 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.

DATED at Toronto, June 29, 2009

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

**APPENDIX "A" TO
PROCEDURAL ORDER NO. 6
EB-2008-0230
GREATER SUDBURY HYDRO INC.
DATED: JUNE 29, 2009**

Issues List from Procedural Order No. 5

Greater Sudbury Hydro Inc.

2009 Distribution Rates Application EB-2008-0230

Issues List

1. ADMINISTRATION (Exhibit 1)

- 1.1 Has GREATER SUDBURY responded appropriately to all relevant Board directions and settlement agreements from previous proceedings?
- 1.2 Has GREATER SUDBURY complied with the Board's Filing Guidelines?

2. RATE BASE (Exhibit 2)

- 2.1 Are the amounts proposed for Rate Base appropriate?
- 2.2 Are the amounts proposed for 2009 Capital Expenditures appropriate?
- 2.3 Has the Working Capital Allowance been determined appropriately?
- 2.4 Does the asset condition information adequately address the condition of the distribution system assets and support the planning and budgeting for OMA and Capital expenditures for 2009?
- 2.5 Is GREATER SUDBURY's overhead Capitalization Policy appropriate?

3. REVENUE REQUIREMENT (Exhibit 3)

- 3.1 Is the calculation of the proposed revenue requirement for 2009 appropriate?
- 3.2 Is the proposed amount for 2009 Other Revenues, including Corporate and Shared Services appropriate? Is the methodology used to cost and price these services appropriate?
- 3.3 Are the proposed Specific Service Charges for 2009 appropriate?
- 3.4 Are GREATER SUDBURY's Economic and Business Planning Assumptions for 2009 appropriate?
- 3.5 Is the load forecast and methodology appropriate including the weather normalization methodology and the impact of CDM initiatives?
- 3.6 Is the Revenue Deficiency calculation for the test year appropriate? (Exhibit 7)

4. COST OF SERVICE (Exhibit 4)

- 4.1 Are the overall levels of the 2009 Operation, Maintenance and Administration budgets appropriate?
- 4.2 Are the proposed Purchased Services and Shared Services appropriate?
- 4.3 Are the methodologies used to allocate Corporate and Shared Services appropriate? Are the Affiliate Service Agreements appropriate?
- 4.4 Are the 2009 Human Resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate?

- 4.5 Is GREATER SUDBURY's depreciation expense appropriate?
- 4.6 Are the amounts proposed for 2009 capital and property taxes appropriate?
- 4.7 Is the amount proposed for 2009 Payments in Lieu of Taxes, including the methodology, appropriate?

5. Deferral and Variance Accounts (Exhibit 5)

- 5.1 Is the proposal for the amounts, disposition and continuance of GREATER SUDBURY's existing Deferral and Variance Accounts (Regulatory Assets) appropriate?
- 5.2 Is the proposal to create a new Deferral Account for the enhanced capital program carrying charges appropriate?

6. COST OF CAPITAL/DEBT (Exhibit 6)

- 6.1 Is the proposed Capital Structure and Rate of Return on Equity for GREATER SUDBURY's distribution business appropriate?
- 6.2 Are GREATER SUDBURY's proposed costs and mix for its short and long-term debt for the 2009 test year appropriate?

7. COST ALLOCATION AND RATE DESIGN (Exhibit 8)

- 7.1 Is GREATER SUDBURY's cost allocation appropriate?
- 7.2 Are the proposed revenue to cost ratios appropriate?

8. RATE DESIGN (Exhibit 9)

- 8.1 Are customer charges and the fixed-variable splits for each class appropriate?
- 8.2 Are GREATER SUDBURY's proposed rates appropriate including the rate harmonization plan for West Nipissing customers?
- 8.3 Are the customer bill impacts appropriate?
- 8.4 Is the proposed rate impact mitigation plan reasonable?
- 8.5 Are the proposed Retail Transmission Service Rates and LV Rates appropriate?
- 8.6 Are the proposed Loss Factors appropriate? (Exhibit 4)
- 8.7 Are the proposed Regulatory Asset (Deferral and Variance Account) rate riders appropriate? (Exhibit 5)
- 8.8 Is the Smart Meter rate adder change appropriate? (Exhibit 2)

9. OTHER ISSUES

- 9.1 Is the LRAM and SSM Proposal appropriate? (Exhibit 9)
- 9.2 Is service quality in relation to the OEB specified performance indicators acceptable?