

EB-2009-0096

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

AND IN THE MATTER OF a review of an application filed by Hydro One Networks Inc. for an order approving just and reasonable rates and other charges for electricity distribution for 2010 and 2011.

PROCEDURAL ORDER NO. 3

Hydro One Networks Inc. ("Hydro One", the "Company" or the "Applicant") filed an application, dated July 13, 2009, with the Ontario Energy Board under section 78 of the *Ontario Energy Board Act, S.O. 1998*, c.15, Schedule B, seeking approval for changes to the rates that Hydro One charges for electricity distribution, to be effective January 1, 2010 and January 1, 2011. The Board assigned File Number EB-2009-0096 to the application.

The Board issued a Notice of Application and Hearing dated August 4, 2009. In Procedural Order No.1, issued on September 9, 2009, the Board approved a number of intervention requests and included a draft issues list for comment by interested parties.

Procedural Order No. 2 was issued on September 25, 2009, approving intervention status for a number of additional intervenors and included the Board's Issues List decision.

By letter dated September 30, 2009, the Electrical Contractors Association of Ontario ("ECAO") requested late intervention status and cost eligibility. ECAO's intervention is

"for the purposes of participating in the Board's review of Hydro One's *Green Energy Plan* and in the discussion of the Green Energy Plan review framework to the extent included in the Board's approved issues list." ECAO explains its interest as follows:

"ECAO members have a direct and significant interest in the electrical service, construction and maintenance businesses housed within, or affiliated with, regulated electrical transmission and distribution utilities, and the appropriate regulation of such utilities vis-à-vis such competitive businesses."

The Board will accept ECAO as a late intervenor. The Board notes that ECAO will accept the record as it currently stands. The Board also finds ECAO eligible for an award of costs. Given ECAO's stated interest and the scope of its intervention, the Board finds that ECAO will be representing a public interest relevant to the Board's mandate. ECAO's eligibility to claim costs will be limited to matters within the stated purpose of its intervention.

The list of intervenors has been amended to include EACO and is attached as Appendix A.

Hydro One filed an evidence update on September 25, 2009 including the Vegetation Management Benchmarking Study. On October 19, 2009 Hydro One filed responses to interrogatories. On October 26, 2009 Hydro One submitted a letter suggesting, among other things, an expedited settlement process and a start of the oral hearing in early December. The School Energy Coalition (SEC) filed intervenor evidence on October 29, 2009.

On October 26, 2009 SEC indicated that it would not be able to provide interrogatory responses until November 30, 2009 and also suggested alternative hearing dates. A number of other intervenors also provided submissions on hearing date preferences.

Procedural Order No. 1 set November 19, 2009 as the date for a settlement conference. As the SEC evidence deals only with a specific sub-section of the entire case, Cost Allocation and Rate Design, the Board sees no reason to delay the settlement conference. The Board expects parties to make every effort to achieve settlement on as many issues as possible and at a minimum, submit a proposal that delineates the issues for written or oral treatment, as the case proceeds. Due to a scheduling conflict, the settlement conference date will be changed to Wednesday, November 18, 2009.

As noted in Procedural Order No. 2, the Board is aware that several Board proceedings have been announced to address a number of generic issues for all distributors with regard to the formulation of Green Energy Plans. In that Procedural Order, the Board indicated its view that if those proceedings yield information or policies that are of assistance in the review of Hydro One's Plan, the Board will ensure that this input will be appropriately reflected in this rates proceeding. The panel in this case will continue to monitor developments in this area, and, if necessary shall provide further direction on this issue.

The Board agrees that the settlement process could be expedited, and acknowledging the constraints imposed by the holiday season, the Board will opt for an earlier start date for the oral hearing. The Board is of the view that the prudence review of all of Hydro One's costs can be done apart from, and in advance of, a consideration of what the cost recovery mechanism may be. In this light, the Board expects that the bulk of the issues can be examined in a December hearing and if additional evidence updates/cross examination time are required as a result of other related proceedings, that this can be addressed in early January 2010.

The Board considers it necessary to make provision for the following matters related to this proceeding. The Board may issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

- 1. Written interrogatories on the intervenor evidence submitted by SEC are to be submitted by November 9, 2009.
- 2. SEC will provide written responses to the interrogatories no later than November 30, 2009.
- 3. The settlement conference in the proceeding will continue to be held on November 18, 2009 at the Board's offices at 2300 Yonge Street, 25th floor, Toronto, commencing at 9:30 am. The Board expects the resulting settlement proposal to be filed no later than November 23, 2009.
- 4. The oral hearing will commence on Monday, December 7, 2009 in the Board's hearing room at 2300 Yonge Street, 25th floor, Toronto, commencing at 9:30 am.

The hearing will conclude no later than December 18, 2009 with any remaining issues to be heard beginning on Tuesday, January 5, 2009.

All filings to the Board must quote file number EB-2009-0096, 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.

<u>Address</u>

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Post:

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

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ISSUED at Toronto, November 3, 2009

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli Board Secretary

APPENDIX A

HYDRO ONE NETWORKS INC DISTRIBUTION RATE HEARING

EB-2009-0096

APPLICANT & LIST OF PARTICIPANTS

APPLICANT & LIST OF INTERVENORS

November 3, 2009

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