

EB-2010-0003

IN THE MATTER OF Section 78 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. under Section 78 of the Ontario Energy Board Act, 1998, seeking changes to the Uniform Provincial Transmission

AND IN THE MATTER OF Rules 42, 44.01 and 45.01 of the Board's *Rules of Practice and Procedure*.

NOTICE OF HEARING OF MOTION DECLARATION OF INTERIM RATES AND PROCEDURAL ORDER NO. 1

The Board has received a Notice of Motion dated January 5, 2010 from Hydro One Networks Inc. ("Hydro One" or the "Moving Party") for a motion to review aspects of the Board's December 16, 2009 Decision in EB-2008-0272 proceeding providing for Transmission Rates for 2010 ("the Decision"). The Board has assigned file number EB 2010-0003 to this Motion.

The Motion seeks an order varying the return on equity to be used by the Applicant to calculate its transmission revenue requirement from 8.39%, which appears in the Decision, to 9.75%, the value in accordance with the Report of the Board on the Cost of Capital for Ontario's Regulated Utilities (EB-2009-0084) ("the Report"). In addition, the Motion seeks to vary the short term debt rate to be used by the Applicant to calculate its 2010 revenue requirement, from .55% which appears in the Decision to 1.93%, the value in accordance with the Report.

Hydro One has further requested that rates be declared interim pending the Board's decision on this motion

The Board has also received requests from the Schools Energy Coalition ("SEC") and the Association of Major Power Consumers ("AMPCO") and the Power Workers' Union asking that the Board seek submissions under Section 45.01 of the Rules of Practice and Procedure on whether the Motion meets the threshold test, before the Board considers the motion on its merits.

The applicant has prepared a draft rate schedule for the EB-2009-0272 proceeding, which is currently being reviewed by Transmitters who might be affected by those rates. Those rates are expected to be implemented for billing by the Independent Electricity System Operator ("IESO") at the end of January. In the event that these do not receive approval, current rates (i.e. 2009 rates) would remain in effect.

The Board has determined that it will consider the threshold question at the same time as it considers the merits of the Motion.

The Board will recognize as intervenors in this proceeding the intervenors and any other parties of record in the EB-2008-0272 proceeding. The Board notes that Hydro One has sent copies of the Motion to all intervenors in the EB-2008-0272 proceeding. A list of parties to the proceeding is attached in Appendix A.

THE BOARD THEREFORE ORDERS THAT:

- The Board declares that the rates in effect as of January 15, 2010, and any rates arising from the implementation of the EB-2008-0272 proceeding issued after January 15, 2010 shall be considered interim pending the outcome of this proceeding. Hydro One shall establish a variance account to reflect the difference in rates which might arise.
- 2. The Moving Party shall file any submissions or materials supplementary to those already on the record on or before Wednesday January 27, 2010. The factum shall be filed with the Board and copied to all parties of record in the Transmission Rate Hearing EB-2008-0272 proceeding.

- 3. If Board staff chooses to file submissions, it shall do so no later than Friday February 5, 2010. All other parties shall provide their submissions no later than Wednesday February 10, 2010. The submissions will be filed with the Board and copied to all parties of record in the Transmission Rate Hearing EB-2008-0272 proceeding.
- 4. The Board has made provision for oral submissions at an oral hearing to be held on **Monday February 22, 2010.** The hearing will commence at 9:30 am in the Board's Hearing Room at 2300 Yonge Street, Toronto, on the 25th floor.

All filings to the Board noted in this Procedural Order must be in the form of 2 hard copies and must be received by the Board by **4:45 p.m.** on the stated dates. An electronic copy of the filing must also be provided. If you already have a user ID, the electronic copy of your filing should be submitted through the Board's web portal at www.errr.oeb.gov.on.ca. If you do not have a user ID, please visit the "e-Filing Services" page on the Board's website at www.oeb.gov.on.ca and fill out a user ID password request. For instructions on how to submit and naming conventions, please refer to the RESS Document Guidelines also found on the "e-Filing Services" webpage. If the Board's web portal is not available, the electronic copy of your filing may be submitted by e-mail at Boardsec@oeb.gov.on.ca. Those who do not have internet access are required to submit the electronic copy of their filing on a CD or diskette in searchable PDF format.

DATED in Toronto, January 15, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli Board Secretary

C Hydro One Intervenors in EB-2008-0272

Appendix A

TO NOTICE OF HEARING AND PROCEDURAL ORDER NO. 1

EB-2010-0003

DATED JANUARY 15, 2010

ADDRESSES FOR SERVICE

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January 15, 2010

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