



EB-2007-0706

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 Enersource
Hydro Mississauga Inc. for an Order or Orders approving
just and reasonable rates and other service charges for the
distribution of electricity, effective May 1, 2008.

PROCEDURAL ORDER NO. 2

Enersource Hydro Mississauga Inc. filed an application with the Ontario Energy Board, received on August 23, 2007 under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the distribution rates that Enersource Hydro Mississauga Inc. charges for electricity distribution, to be effective May 1, 2008. The Board has assigned the application file number EB-2007-0706. The Board issued a Notice of Application and Hearing dated September 20, 2007.

The Board held a procedural meeting on November 16, 2007 and received an issues list agreed to by all the parties. As recommended by all parties, the Board will convene a technical conference, to enable parties to obtain further clarification of the evidence and the interrogatory responses. The Board requests that parties limit undertakings from the technical conference to matters critical to the settlement conference. The Board appreciates the efforts of all parties for reaching an agreement on the list of issues. The Board has reviewed the issues list and approves it.

THE BOARD ORDERS THAT:

1. The issues in this proceeding are set out in Schedule A.
2. Parties shall file any questions with respect to the evidence, with the Board and Enersource Hydro Mississauga Inc. by **Thursday, November 22, 2007**. A technical conference will be held to provide Enersource Hydro Mississauga Inc. with the opportunity to provide answers to the questions and for all parties to obtain further clarification of the evidence. The technical conference will be convened on **Tuesday, November 27, 2007** starting at 9:30 a.m. in the Board's hearing room on the 25th Floor at 2300 Yonge Street, Toronto. The technical conference will be transcribed and the transcript will form part of the record of this proceeding.
3. If Enersource Hydro Mississauga Inc. is unable to provide a complete and satisfactory answer to questions raised at the technical conference, a participant may seek an undertaking from Enersource Hydro Mississauga Inc. to provide a written response to such questions. Enersource Hydro Mississauga Inc. shall file written responses with the Board and provide copies to all intervenors by **Wednesday, November 28, 2007**.
4. A settlement conference will be convened on Wednesday, **November 28, 2007**, starting at 9:30, with the objective of reaching a settlement among the parties on the issues. The Settlement Conference will be held at 2300 Yonge Street, Toronto in the Board's hearing room on the 25th Floor.
5. Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board on **Monday, December 10, 2007**. The Settlement Proposal should contain a list of any unsettled issues, identifying those issues that the parties believe must be dealt with by way of oral hearing.

6. The Board will sit on **December 17, 2007** at 9:30 a.m. in the Board's hearing room on the 25th Floor at 2300 Yonge Street, Toronto, to review any Settlement Proposal.

All filings to the Board must quote file number EB-2007-0706, 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.

Please be aware that this procedural order may be amended, and further procedural orders may be issued from time to time.

Addresses

The Board:

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

Filings : www.errr.oeb.gov.on.ca
E-mail: Boardsec@oeb.gov.on.ca

Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

The Applicant:

Enersource Hydro Mississauga Inc.
3240 Mavis Road,
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Attention: Kathi Litt

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Email: pmoran@ogilvyrenault.com

DATED at Toronto, November 20, 2007

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

SCHEDULE "A"
Enersource Hydro Mississauga Inc.
EB-2007-0706
November 20, 2007

ISSUES LIST

1. Rate Base (Exhibit C)

- 1.1 Is the proposed Rate Base for Test Year 2008 appropriate?
- 1.2 Is the proposed Capital Expenditures forecast for Test Year 2008 appropriate?
- 1.3 Is the Working Capital Allowance for Test Year 2008 appropriate?

2. Operating Revenue (Exhibit B)

- 2.1 Is the proposed forecast of 2008 Test Year Revenues appropriate?
- 2.2 Is the proposed load forecast (both Kwh and KW) for Test Year 2008 appropriate, including the impact of CDM?
- 2.3 Is the proposed forecast of number of customers (connections) for Test Year 2008 appropriate?
- 2.4 Is the Test Year weather normalization (forecast) methodology appropriate?
- 2.5 Is the proposed forecast of Test Year 2008 revenues from other regulated rates and charges appropriate?

3. Operating Costs (Exhibit D)

- 3.1 Is the overall Test Year OM&A forecast appropriate? Including,
 - Manpower Costs
 - Material Costs
 - Transportation Costs
 - Other Controllable Costs

- Controllable Costs
- CDM Operating Expenses
- Other Expenses
- Bad Debt Expense

3.2 Is the Test Year forecast of Capital Taxes appropriate? (D/S1/T7)

3.3 Is Test Year PILS forecast appropriate? (D/S1/T7)

3.4 Is the proposed level of the Depreciation expense for 2008 appropriate?
(D/S1/T8)

3.5 Is the capitalization policy appropriate?

3.6 Are the proposed Distribution Loss Factors appropriate? (D/S1/T9)

3.7 Is the recovery of amounts relating to Lost Revenue Adjustment Mechanism and
Shared Savings Mechanism appropriate? (D/S1/T10)

3.8 Is the proposed forecast of Management Fees/Recoveries for 2008 appropriate?
(D/S1/T11)

4. Deferral and Variance Accounts

4.1 Is the proposed clearance of various deferral and variance accounts and
regulatory asset balances appropriate?

4.2 Are the proposed variance and deferral accounts for the test year appropriate?

5. Cost of Capital (Exhibit E)

5.1 Is the proposed Test Year weighted average cost of capital appropriate?

5.2 Is the proposal for not using Short-Term debt appropriate?

5.3 Is the proposed cost of Long-Term debt appropriate?

5.4 Is the proposed Test Year ROE of 9% appropriate?

6. Smart Meters (Exhibit G)

6.1 Has Enersource correctly applied the Board's Decision in EB-2007-0063 (Smart
Meter Combined Proceeding)?

6.2 Is the request for a 2008 Smart Meter Adder of \$0.57/metered customer/month
appropriate?

7. Cost Allocation (Exhibit G)

7.1 Are the revenue to cost ratios in the cost allocation for the test year appropriate?

7.2 Is the proposed cost allocation methodology appropriate?

8. Rate Design (Exhibit H)

8.1 Is the full schedule of rates as proposed in Exhibit H/Schedule 3/Tab 1-3 appropriate?

8.2 Is the derivation of the proposed base distribution rates appropriate?

8.3 Is the derivation of the proposed rate riders appropriate?

8.4 Is the proposal of make 2006 and 2007 interim standby rates standby rates final appropriate?

8.5 Are the proposed standby rates for 2008 appropriate?

9. Other Issues

9.1 Implementation of 2008 rates

9.2 What labour performance metrics are tracked by the utility and how they are used?