



EB-2010-0142

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 Toronto
Hydro-Electric System Limited for an order approving
just and reasonable rates and other charges for
electricity distribution to be effective May 1, 2011.

PROCEDURAL ORDER NO. 10

Toronto Hydro-Electric System Limited ("Toronto Hydro") filed an application, dated August 23, 2010, 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 Toronto Hydro charges for electricity distribution, to be effective May 1, 2011.

The Board issued a Notice of Application and Hearing dated September 15, 2010.

On March 25, 2011, a Settlement Agreement was filed with the Board which incorporated settlement of most outstanding issues in this proceeding. On March 29, 2011, the Board announced its acceptance of the Settlement Agreement. Unsettled issues remained in five areas, one of which was the appropriateness of Toronto Hydro's suite metering cost allocation and whether or not Toronto Hydro should establish a separate rate class for multi-unit residential customers that are served directly by Toronto Hydro through its suite metering provision.

On July 7, 2011, the Board issued its Partial Decision and Order (the "Partial Decision") in this proceeding. Among other things, the Partial Decision found that while all findings in the Partial Decision are final and will result in a final rate order for 2011 rates, the

Board would require supplementary evidence to be filed on the suite metering issues as outlined in the Partial Decision (the “suite metering supplementary evidence”).

The Board determined that the suite metering supplementary evidence would relate to the creation and maintenance of a separate rate class for multi-residential customers that at the present time are served using Quadlogic technology. The Board found that this would be the most effective and transparent manner in which to address the suite metering issues.

The Board expressed its agreement with Toronto Hydro’s assertion that it is not appropriate to base a rate class on a specific technology that is likely to evolve over time. The Board stated that the rate class that it had determined to be required should be initially identified on the basis of the current technology, but the ongoing existence of the class would not be predicated on the ongoing existence of this particular technology. The Board further stated that the need to expose the specific costs of the suite metering service would remain so long as there is a choice to be made between the rate regulated service and the competitive marketplace.

The Partial Decision further stated that any rate implications arising from the findings in this supplementary proceeding would be reflected in Toronto Hydro’s 2012 rates (whether determined as part of a rebasing or IRM application) and would not have retroactive effect in any way.

The Board found that the subsequent phase of this proceeding involving the filing by Toronto Hydro of the supplementary evidence on suite metering would have the objective of establishing both the cost allocation protocols for the new customer class and the initial tariff that Toronto Hydro would charge for this service.

The Partial Decision stated that the Board would issue a procedural order under the current docket number containing filing instructions to Toronto Hydro and outlining subsequent procedural steps to facilitate further discovery and examination.

The Board expects that Toronto Hydro, in preparing the suite metering supplementary evidence, will make use of the guidance contained in the Partial Decision. In addition, the Board expects that Toronto Hydro will make use of the Board’s cost allocation model and allocate to the new customer class all costs related to the Quadlogic meters. Finally, the Board expects Toronto Hydro to propose a tariff for the new customer class

and provide a detailed listing of all assumptions which it has made in undertaking its analysis, as well as any other information necessary to provide the Board with a complete understanding of the approach proposed by Toronto Hydro.

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. Toronto Hydro is directed to file the suite metering supplementary evidence with the Board and deliver such evidence to all parties on or before **Wednesday August 31, 2011**.
2. Board staff and intervenors seeking information and material that is in addition to the suite metering supplementary evidence, and that is relevant to the hearing, shall request the same by written interrogatories filed with the Board and delivered to the intervenors and the Applicant on or before **Friday September 16, 2011**.
3. Responses by the Applicant to interrogatories related to the suite metering supplementary evidence shall be filed with the Board and delivered to all parties on or before **Friday September 30, 2011**.
4. Board staff and intervenors who wish to file evidence on the suite metering issues shall do so, on or before **Friday October 21, 2011**.
5. Parties seeking information and material that is in addition to any intervenor or Board staff evidence on the suite metering issues, and that is relevant to the hearing, shall request the same by written interrogatories filed with the Board and delivered to parties on or before **Monday October 31, 2011**.
6. Responses by parties to interrogatories related to any intervenor or Board staff evidence shall be filed with the Board and delivered to all parties on or before **Friday November 11, 2011**.
7. The oral hearing will commence on **Monday November 28, 2011** in the Board's hearing rooms at 2300 Yonge Street, 25th Floor, Toronto, at 9:30 am.

All filings to the Board must quote file number EB-2010-0142, be made through the Board's web portal at www.errr.ontarioenergyboard.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. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

Address

The Ontario Energy Board:

Post:

Ontario Energy Board
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ISSUED at Toronto, July 28, 2011

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary