

# *Aiken & Associates*

578 McNaughton Ave. West  
Chatham, Ontario, N7L 4J6

Phone: (519) 351-8624

E-mail: [randy.aiken@sympatico.ca](mailto:randy.aiken@sympatico.ca)

May 18, 2012

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli,

**RE: EB-2012-0180 - Submissions of London Property Management Association**

Please find attached the submissions of the London Property Management Association in the above noted proceeding.

Yours very truly,

*Randy Aiken*

Randy Aiken  
Aiken & Associates

c.c. Susan Frank, Hydro One

**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 Hydro One Networks Inc. for a deferral account related to an ongoing proceeding EB-2011-0140 to designate an electricity transmitter to undertake development work for the East-West Tie Line.

**SUBMISSIONS OF THE**  
**THE LONDON PROPERTY MANAGEMENT ASSOCIATION**

Hydro One Networks Inc. ("HONI") filed an application dated March 22, 2012 for an Accounting Order authorizing HONI to establish a new deferral account for the purpose of recording expenses relating to the East-West Tie Line ("EWT Line") proceeding and subsequent connection project-related activities for a new electricity transmission line. HONI proposed that the deferral account be effective as of January 3, 2012.

These are the submissions of the London Property Management Association ("LPMA") related to the HONI request.

Establishment of the Account

LPMA notes that HONI is not seeking approval for the disposition of the requested deferral account at this time (Ex. I, Tab 1, Sch. 3, part (a)). HONI further indicates that any materiality threshold should be applicable only to the disposition of the deferral account and not used as a criteria for the establishment of the account.

LPMA agrees that materiality should not be used as a criteria for the establishment of the deferral account in this instance. HONI is unable to forecast costs related to the request for the deferral account because the designation process is new to Ontario and there is no precedent to establish costs for such a proceeding (Ex. I, Tab 2, Sch. 2, part (b)). LPMA accepts that no reasonable forecast can be made in this instance and, as a result, there is nothing to compare to in terms of materiality.

HONI has indicated that the prudence of the cost would be subject to review at a future proceeding when it requests disposition of this account and that there is no guarantee of recovery of costs associated with the account (Ex. I, Tab 1, Sch. 1). In addition to the above, LPMA submits that the Board should clearly state that in granting the account, the issue of materiality will be dealt with at the time of the disposition request.

Subject to the above comments and those of HONI, LPMA has no objection to the establishment of the account.

#### Non-Incremental Costs

HONI proposes to track non-incremental labour costs dedicated to the designation process which are already included in its current approved revenue requirement. HONI will not be seeking recovery of these costs (Ex. I, Tab 2, Sch. 2, part (a)).

HONI intends to track these non-incremental costs in order for the OEB to be able to understand and be informed of all of the costs that relate to the designation process for the EWT Line. LPMA agrees. However, the Board should make it clear that in tracking these non-incremental costs, HONI should ensure that the same level of detail is available for review as will be required for the account components for which HONI will seek recovery. These costs should be subject to the same level of scrutiny as are the costs to be recovered from ratepayers so that the OEB and other parties can have the same level of confidence in them.

#### Effective Date of the Account

HONI is asking for an effective date of January 3, 2012, despite not filing an application for the accounting order until March 22, 2012. LPMA does not support the request for a retroactive accounting order to establish the deferral account.

As noted in the response to Exhibit I, Tab 2, Schedule 1, part (b), HONI is unaware of any deferral or variance accounts that have been approved by the OEB for HONI in which the account had an effective date prior to the date of the request for the account, or prior to the commencement of the relative proceeding.

The commencement of the relative proceeding in this instance was February 2, 2012 when the Notice of Application for EB-2011-0140 was issued (Ex. I, Tab 2, Sch. 1, part (a)).

HONI notes in that same interrogatory response that there was activity relating to this proceeding prior to the date of the Notice. HONI further notes that there were no incremental costs incurred for which it will seek recovery in this deferral account from January 3, 2012 to March 21, 2012 (Ex. I, Tab 2, Sch. 2). There have been non-incremental labour costs incurred between January 3, 2012 and March 21, 2012 of approximately \$50,000. However, as noted earlier, HONI will not be seeking recovery of these costs.

Procedural Order No. 1 for EB-2011-0140 was issued on March 2, 2012. However, HONI notes that the Board initiated EB-2011-0140 on August 12, 2011 with a letter to licensed transmitters and other interested parties. As a result, there may be costs that will be recoverable through HONI and the other transmitters from this date. HONI notes that it has not received an invoice from the Board for costs incurred in this proceeding, but that there could be costs charged but not invoiced that occurred prior to March 22, 2012 that would be included in the OEB Allocated Proceeding Costs account.

While LPMA does not support the establishment of account orders for deferral accounts with retroactive effective dates prior to the request for the account, it notes that the only costs that may be included in the Jan. 3, 2012 through March 21, 2012 period that would be recovered from ratepayers are related to the OEB Allocated Proceeding Costs, which may have been incurred, but not yet invoiced. LPMA accepts these costs as being reasonable for inclusion in the account given the unique nature of the EWT Line process and the fact that this is the first time participants, including HONI, have been exposed to it.

Costs

LPMA requests that it be awarded 100% of its reasonably incurred costs for participating in this proceeding.

All of which is respectfully submitted this 18<sup>th</sup> day of May, 2012.

*Randall E. Aiken*

Randall E. Aiken  
Consultant to  
London Property Management Association