



EB-2012-0033

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 approving just and
reasonable rates and other charges for electricity
distribution to be effective January 1, 2013 and January 1,
2014.

PROCEDURAL ORDER No. 1
June 14, 2012

Enersource Hydro Mississauga Inc. ("Enersource") filed an application with the Ontario Energy Board, received on April 27, 2012 and updated on May 17, 2012, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Enersource charges for electricity distribution, to be effective January 1, 2013 and January 1, 2014. The Board has assigned the application File Number EB-2012-0033. The Board issued a Notice of Application and Hearing dated May 18, 2012.

Energy Probe Research Foundation ("Energy Probe"), the Vulnerable Energy Consumers Coalition ("VECC"), the Consumers Council of Canada ("CCC"), the School Energy Coalition ("SEC"), the Association of Major Power Consumers in Ontario ("AMPCO") and Ms. Luba Volnyansky applied for intervenor status.

No objections were received regarding the applications for intervenor status.

The Board has determined that Energy Probe, VECC, CCC, SEC, AMPCO and Ms. Luba Volnyansky will be granted intervenor status.

Energy Probe, VECC, CCC, SEC, and AMPCO also applied for cost eligibility. By way of letter dated June 7, 2012 Enersource requested that the Board consider taking steps

to address intervenor costs, similar to what was employed in the East West Tie Line Designation Proceeding (EB 2011-0140). In that proceeding the Board determined that rather than granting cost eligibility to several ratepayer intervenors it would grant costs to two ratepayer representatives: one low volume and one high volume. Energy Probe, SEC, VECC and CCC filed letters opposing Enersource's proposed approach.

The Board notes that this proceeding is a rates proceeding and as such is substantially different from the designation proceeding, in which the Board concluded that ratepayer interests were largely aligned. Furthermore, as argued by the intervenors, the Board has at its disposal several methods to control intervenor costs, including the methods and criteria set out in the Board's *Practice Direction on Cost Awards*. Given this is a full cost of service rebasing, the Board concludes that it is appropriate for each of the ratepayer representatives to be granted cost eligibility. Energy Probe, VECC, CCC, SEC and AMPCO are each eligible for an award of costs.

The list of parties in this proceeding is attached as Appendix A to this procedural order.

A draft issues list has been included as Appendix B to this procedural order for comment. The draft issues list is intended to capture the relevant issues at a high level while avoiding excessive detail and overlap which in past proceedings may have been presented and articulated as sub-issues. After reviewing the submissions of Enersource and the parties, the Board will issue a final issues list.

The Board is making provision for written interrogatories. The Board notes that interrogatories must reference the pre-filed evidence and must be filed by issue. The Board also requires that Enersource file the responses to these interrogatories by issue instead of by intervenor. To facilitate the intervenors' review of the responses to their interrogatories, interrogatory responses for each issue shall be grouped by intervenor within the issue. To make for a more efficient and less costly process, Board staff will file their interrogatories in advance of the intervenor interrogatories, and intervenors are expected to coordinate their interrogatories so as to avoid duplication.

The written interrogatories and responses shall be followed by a Technical Conference and a Settlement Conference. The Board is making provision for an oral hearing for any unsettled issues. The Board will reassess the appropriateness of an oral hearing as the record develops and as the results of the Settlement Conference are known.

Confidentiality

The Board notes that the report on Working Capital Requirement, found at Exhibit 2 Tab1 Schedule 4 Appendix 1 of the filed evidence, is a redacted version of the report. This report was previously filed with the Board on September 18, 2009 in keeping with the EB-2007-0706 Settlement Agreement which required Enersource to complete and file such a report by September 2009. Enersource filed redacted and un-redacted versions at that time claiming confidentiality on the basis of potential harm to Enersource's future competitive position in negotiations it might undertake with third party vendors of services including metering reading, customer service, customer information systems, billing, collections, payroll and benefits. On May 23, 2012 Enersource filed an un-redacted version in this proceeding, EB-2012-0033.

As set out in the Board's *Practice Direction on Confidential Filings* (the "*Practice Direction*"), it is the Board's general policy that all evidence should be on the public record unless disclosure is prohibited. This reflects the Board's view that its proceedings should be open, transparent and accessible. The *Practice Direction* seeks to balance these objectives with the need to protect information properly designated as confidential.

As an interim measure, the Board will allow any counsel for intervenors that wish to review the confidential document to do so after signing a copy of the Board's Declaration and Undertaking with respect to confidential documents, and filing it with the Board and serving on Enersource. Enersource has informed the Board that it does not object to providing the confidential document directly to the requesting party subject to the parties filing with the Board and serving on Enersource an executed Declaration and Undertaking.

Intervenors and Board staff who object to Enersource's request for confidential treatment shall file their submissions by June 21, 2012. Enersource shall file any reply submission by June 27, 2012. If the Board ultimately decides that the document should not be afforded confidential treatment, it will be placed on the public record unless, within a period of five business days, and in accordance with section 5.1.12 of the Practice Direction, Enersource requests that the information be withdrawn.

A case timetable of the events addressed in this Procedural Order is attached as Appendix C.

The Board considers it necessary to make provision for the following matters related to this proceeding. Please be aware that this procedural order may be amended, and further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT:

1. Enersource and intervenors wishing to comment on the draft issues list found at Appendix B of this procedural order, shall file submissions with the Board and deliver them to all parties on or before **June 21, 2012**.
2. Intervenors or Board staff who wish to object to Enersource's claim for confidential treatment of the report on Working Capital Requirement shall file their submission with the Board and deliver it to all parties on or before **June 21, 2012**.
3. Enersource shall file its response, if any, to the submissions of parties regarding the confidential treatment of report on Working Capital Requirement with the Board and deliver it to all parties by **June 27, 2012**.
4. Intervenors who wish information and material from Enersource that is in addition to Enersource's pre-filed evidence, and that is relevant to the hearing, shall request it by written interrogatories filed with the Board and delivered to Enersource and all intervenors on or before **July 4, 2012**. Interrogatories from Board staff shall be submitted on or before **June 28, 2012**.
5. Enersource shall file with the Board complete responses to the interrogatories and deliver them to the intervenors no later than **July 23, 2012**.
6. A transcribed Technical Conference shall be convened on **July 30, 2012** starting at 9:30 a.m. If necessary, the Technical Conference will continue on **July 31, 2012**. The Technical Conference will be held in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto. Parties participating in the Technical Conference are requested to file with the Board, and copy Enersource and all other parties, by **July 26, 2012** confirmation of the particular issues they seek to address or seek clarification on at the Technical Conference.

7. Enersource shall respond to any undertakings given at the Technical Conference on or before **August 7, 2012**.
8. A Settlement Conference shall be convened on **August 8, 2012**, starting at 9:30 a.m., with the objective of reaching a settlement among the parties on the issues. The Settlement Conference will be held in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto, and may continue until **August 10, 2012**, if needed.
9. Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board no later than **August 21, 2012**.
10. The Board will sit on **August 24, 2012** 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.
11. Should there be any unsettled issues arising from the Settlement Conference, an oral hearing will commence on **September 4, 2012** at 9:30 a.m. The hearing may continue until **September 10, 2012**, if needed.

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.

All filings to the Board must quote file number EB-2012-0033, 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. Please 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 you may email your document to the BoardSec@ontarioenergyboard.ca. 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 seven paper copies. If you have submitted through the Board's web portal an e-mail is not required.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Richard Battista at richard.battista@ontarioenergyboard.ca and Board Counsel, Maureen Helt at maureen.helt@ontarioenergyboard.ca.

ADDRESS

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

E-mail: boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, June 14, 2012

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A
TO PROCEDURAL ORDER No.1

EB-2012- 0033

Enersource Hydro Mississauga Inc.

DATED: June 14, 2012

**Enersource Hydro Mississauga Inc.
EB-2012-0033**

APPLICANT & LIST OF INTERVENORS

June 14, 2012

APPLICANT

Rep. and Address for Service

**Enersource Hydro
Mississauga Inc.**

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INTERVENORS

Rep. and Address for Service

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(AMPCO)**

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**Consumers Council of
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**Enersource Hydro Mississauga Inc.
EB-2012-0033**

APPLICANT & LIST OF INTERVENORS

June 14, 2012

**Energy Probe Research
Foundation**

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**Independent Participants -
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Luba Volnyansky

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**Enersource Hydro Mississauga Inc.
EB-2012-0033**

APPLICANT & LIST OF INTERVENORS

June 14, 2012

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**Enersource Hydro Mississauga Inc.
EB-2012-0033**

APPLICANT & LIST OF INTERVENORS

June 14, 2012

**Vulnerable Energy
Consumers Coalition**

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APPENDIX B
TO PROCEDURAL ORDER No.1

EB-2012- 0033

Enersource Hydro Mississauga Inc.

DATED: June 14, 2012

ENERSOURCE HYDRO MISSISSAUGA INC.

EB-2012-0033

DRAFT ISSUES LIST

1. General

- 1.1 Is the proposed approach to set rates for two years appropriate?
- 1.2 Has Enersource responded appropriately to all Board directions from previous proceedings?
- 1.3 Is service quality, based on the Board specified performance indicators, acceptable?
- 1.4 Is the proposal to align the rate year with Enersource's fiscal year, and for rates effective January 1, 2013 and January 1, 2014 appropriate?

2. Rate Base

- 2.1 Is the proposed rate base for 2013 and 2014, including capital expenditures for 2013 and 2014, appropriate?
- 2.2 Is the proposed Working Capital Allowance for 2013 and 2014 appropriate?
- 2.3 Is the proposed Green Energy Act Plan appropriate?
- 2.4 Is the capitalization policy and allocation procedure for 2013 and 2014 appropriate?

3. Operating Revenue

- 3.1 Is the proposed load forecast for 2013 and 2014, including billing determinants, appropriate?
- 3.2 Is the proposed forecast of other regulated rates and charges for 2013 and 2014 appropriate?

4. Operating Costs

- 4.1 Is the proposed 2013 and 2014 OM&A forecast appropriate?
- 4.2 Is the proposed level of depreciation/amortization expense for 2013 and 2014 appropriate?

ENERSOURCE HYDRO MISSISSAUGA INC.

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4.3 Is the proposed PILs and property taxes forecast for 2013 and 2014 appropriate?

4.4 Is the proposed allocation of shared services and corporate costs appropriate?

5. Capital Structure and Cost of Capital

5.1 Is the proposed capital structure, rate of return on equity and short term debt rate for 2013 and 2014 appropriate?

5.2 Is the proposed long term debt rate for 2013 and 2014 appropriate?

6. Cost Allocation

6.1 Is the proposed cost allocation methodology for 2013 and 2014 appropriate?

6.2 Are the revenue-to-cost ratios for 2013 and 2014 appropriate?

7. Rate Design

7.1 Are the fixed to variable splits for each class for 2013 and 2014 appropriate?

7.2 Is the proposed implementation of a Low Voltage Service Rate, the introduction of the Unmetered Scattered Load class, and the merger of the Small Commercial < 50kw class into the General Service < 50kw class appropriate?

7.3 Are the proposed Total Loss Adjustment Factors appropriate?

7.4 Are the proposed retail transmission service rates appropriate?

7.5 Is the proposed Tariff of Rates and Charges for 2013 and 2014 appropriate?

8. Deferral and Variance Accounts

8.1 Are the deferral and variance account balances, allocation methodology and disposition period(s) appropriate?

8.2 Are the proposed rate riders appropriate?

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8.3 Are the proposed new deferral and variance accounts appropriate?

9. Modified International Financial Reporting Standards

9.1 Is the treatment and disposition of the Property Plant & Equipment adjustments due to the transition to MIFRS appropriate?

9.2 Are the proposed new MIFRS deferral and variance accounts appropriate?

10. Smart Meters

10.1 Are the proposed quanta and nature of smart meter costs, including the allocation and recovery methodologies appropriate?

10.2 Is the proposed treatment of stranded meter costs appropriate?

APPENDIX C
TO PROCEDURAL ORDER No.1

EB-2012- 0033

Enersource Hydro Mississauga Inc.

DATED: June 14, 2012

Enersource Hydro Mississauga Inc.

EB-2012-0033

Procedural Order No. 1 - Case Timetable

	Event	Date
1.	Enersource and intervenor submissions on the draft issues list	June 21
2.	Intervenor and Board staff submissions on confidential treatment of the report on Working Capital Requirement	June 21
3.	Enersource reply submission on the confidential treatment of the report on Working Capital Requirement.	June 27
4.	Board staff interrogatories filed	June 28
5.	Intervenor interrogatories filed	July 4
6.	Interrogatory responses filed	July 23
7.	Technical Conference	July 30, 31
8.	Undertakings from Tech Conference filed	August 7
9.	Settlement Conference	August 8,9,10
10.	File Settlement Proposal	August 21
11.	Oral Hearing of Settlement Proposal	August 24
12.	Oral Hearing of Unsettled Issues	Sept. 4,6,10