



EB-2012-0112

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
Canadian Niagara Power Inc. for an order approving
just and reasonable rates and other charges for
electricity distribution to be effective January 1, 2013.

PROCEDURAL ORDER No. 1
June 21, 2012

Canadian Niagara Power Inc. ("CNPI") filed an application with the Ontario Energy Board, received on May 11, 2012, under section 78 of the *Ontario Energy Board Act*, 1998, seeking approval for changes to the rates that CNPI charges for electricity distribution, to be effective January 1, 2013. The Board has assigned the application File Number EB-2012-0112. The Board issued a Notice of Application and Hearing dated May 11, 2012.

The Board has determined that Energy Probe Research Foundation, the Vulnerable Energy Consumers Coalition, and the School Energy Coalition will be granted intervenor status and cost award eligibility.

The list of parties in this proceeding is attached as Appendix A. A Draft Issues List has been included as Appendix B. A Case Timetable has been included as Appendix C.

CNPI or any party may file submissions on the Draft Issues List. After reviewing the submissions, the Board will issue a final issues list.

The Board's process will include the filing of written interrogatories. The Board requires that interrogatories reference the pre-filed evidence and be filed by issue. The Board also directs that CNPI file the responses to these interrogatories by issue (instead of by

intervenor). Interrogatory responses for each issue shall be grouped by intervenor within the issue

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.

The Board will 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. CNPI 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 **July 3, 2012**.
2. Board staff seeking information and material from CNPI that is in addition to CNPI's pre-filed evidence, and that is relevant to the hearing, shall request it by written interrogatories filed with the Board and delivered to CNPI and all intervenors on or before **July 13, 2012**.
3. Intervenors seeking information and material from CNPI that is in addition to CNPI's pre-filed evidence, and that is relevant to the hearing, shall request it by written interrogatories filed with the Board and delivered to CNPI and all intervenors on or before **July 20, 2012**.
4. CNPI shall file with the Board complete responses to the interrogatories and deliver them to the intervenors no later than **August 8, 2012**.
5. A transcribed Technical Conference shall be convened on **August 29, 2012** starting at 9:30 a.m. If necessary, the Technical Conference will continue on **August 30, 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 CNPI and all other parties, by **August 21, 2012** confirmation of the particular issues they seek to address or seek clarification on at the Technical Conference.

6. A Settlement Conference shall be convened on **September 5, 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 **September 6, 2012**, if needed.
7. Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board no later than **September 24, 2012**.
8. An Oral Hearing will commence on **October 1, 2012** in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto. The hearing may continue until **October 3, 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-2012-0112, 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, Birgit Armstrong at birgit.armstrong@ontarioenergyboard.ca and Board Counsel, Ljuba Djurdjevic at ljuba.djurdjevic@ontarioenergyboard.ca.

ADDRESS

Ontario Energy Board
P.O. Box 2319
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Attention: Board Secretary

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

DATED at Toronto, June 21, 2012

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A
TO PROCEDURAL ORDER No.1
EB-2012-0112
Canadian Niagara Power Inc.
DATED: June 21, 2012

**Canadian Niagara Power Inc.
EB-2012-0112**

APPLICANT & LIST OF INTERVENORS

June 21, 2012

APPLICANT

Rep. and Address for Service

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INTERVENORS

Rep. and Address for Service

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**Canadian Niagara Power Inc.
EB-2012-0112**

APPLICANT & LIST OF INTERVENORS

June 21, 2012

**Energy Probe Research
Foundation**

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**Canadian Niagara Power Inc.
EB-2012-0112**

APPLICANT & LIST OF INTERVENORS

June 21, 2012

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Consumers Coalition**

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APPENDIX B
TO PROCEDURAL ORDER No.1
EB-2012-0112
Canadian Niagara Power Inc.
DATED: June 21, 2012

**Canadian Niagara Power Inc. ("CNPI")
2013 Electricity Distribution Rates
EB-2012-0112**

Draft Issues List

1. General

- 1.1 Has CNPI responded appropriately to all relevant Board directions from previous proceedings?
- 1.2 Are CNPI's economic and business planning assumptions for 2013 appropriate?
- 1.3 Is service quality, based on the Board specified performance indicators, acceptable?
- 1.4 Is the proposal to align the rate year with CNPI's fiscal year, and for rates effective January 1, 2013 appropriate?

2. Rate Base

- 2.1 Is the proposed CNPI – Fort Erie/Gananoque rate base for the test year appropriate?
- 2.2 Is the proposed CNPI – Port Colborne rate base for the test year appropriate?
- 2.3 Is the CNPI – Fort Erie/Gananoque working capital allowance for the test year appropriate?
- 2.4 Is the CNPI – Port Colborne working capital allowance for the test year appropriate?
- 2.5 Is the CNPI – Fort Erie/Gananoque capital expenditure forecast for the test year appropriate?
- 2.6 Is the CNPI – Port Colborne capital expenditure forecast for the test year appropriate?

3. Load Forecast and Operating Revenue

- 3.1 Is the load forecast methodology including weather normalization appropriate?
- 3.2 Are the proposed customers/connections and load forecasts (both kWh and kW) for the test year appropriate?
- 3.3 Is the impact of CDM appropriately reflected in the load forecast?
- 3.4 Is the test year forecast of other revenues appropriate?

4. Operating Costs

- 4.1 Is the proposed CNPI – Fort Erie/Gananoque forecast for total OM&A for the test year appropriate?
- 4.2 Is the proposed CNPI – Port Colborne forecast for total OM&A for the test year appropriate?
- 4.3 Are the methodologies used to allocate shared services and other costs appropriate?

- 4.4 Is CNPI – Fort Erie/Gananoque's proposed level of depreciation/amortization expense for the test year appropriate?
- 4.5 Is CNPI – Port Colborne's proposed level of depreciation/amortization expense for the test year appropriate?
- 4.6 Is the proposed CNPI – Fort Erie/Gananoque forecast for Income Taxes for the test year appropriate?
- 4.7 Is the proposed CNPI – Port Colborne forecast for Income Taxes for the test year appropriate?
- 4.8 Are the 2013 compensation costs and employee levels appropriate?
- 4.9 Is the test year forecast of property taxes appropriate?

5. Capital Structure and Cost of Capital

- 5.1 Is the proposed capital structure, rate of return on equity, short-term and long-term debt rate appropriate?

6. Smart Meters

- 6.1 Are the proposed quanta and nature of smart meter costs, including the allocation and recovery methodologies appropriate?
- 6.2 Is proposed treatment of stranded meter costs appropriate?

7. Cost Allocation

- 7.1 Is the proposed CNPI – Fort Erie/Gananoque cost allocation appropriate?
- 7.2 Is the proposed CNPI – Port Colborne cost allocation appropriate?
- 7.3 Are the proposed revenue-to-cost ratios for each of CNPI – Fort Erie/Gananoque rate classes appropriate?
- 7.4 Are the proposed revenue-to-cost ratios for each of CNPI – Port Colborne rate classes appropriate?

8. Rate Design

- 8.1 Are the fixed to variable splits for each class appropriate?
- 8.2 Are the proposed retail transmission service rates appropriate?
- 8.3 Are the proposed LV rates appropriate?
- 8.4 Are the proposed loss factors appropriate?
- 8.5 Is CNPI's proposal to continue with its approved Transformer Ownership Allowance appropriate?

9. Rate Harmonization

- 9.1 Is CNPI's proposed rate harmonization appropriate?
- 9.2 Is the combined cost allocation supporting CNPI's proposed phased-in rate harmonization appropriate?

10. Deferral and Variance Accounts

- 10.1 Are the account balances, cost allocation methodology and disposition period appropriate?
- 10.2 Are the proposed rate riders to dispose of the account balances appropriate?

11. Accounting Standards for Private Enterprise (“ASPE”)

- 11.1 Are the proposed Revenue Requirements determined using ASPE appropriate?
- 11.2 Is the proposed change in accounting policy regarding the capitalization of overhead costs appropriate?
- 11.3 Is the treatment of property, plant & equipment due to the transition to a new accounting standard appropriate?

12. Green Energy Act Plan

- 12.1 Is CNPI's proposed Green Energy Act Plan appropriate?

APPENDIX C
TO PROCEDURAL ORDER No.1
EB-2012-0112
Canadian Niagara Power Inc.
DATED: June 21, 2012

Canadian Niagara Power Inc.**EB-2012-0112****Procedural Order No. 1 - Case Timetable**

	Event	Date
1.	Intervenor and Board staff submissions on draft Issues List	July 3
2.	Board staff interrogatories filed	July 13
3.	Intervenor interrogatories filed	July 20
4.	Interrogatory responses filed	August 8
5.	Technical Conference questions filed	August 21
6.	Technical Conference	August 29 & 30
7.	Undertakings from Tech Conference filed	September 5
8.	Settlement Conference	September 5 & 6
9.	Settlement Proposal filed	September 24
10.	Oral Hearing on Unsettled Issues	October 1 – 3