



EB-2012-0300

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 Great Lakes
Power Transmission Inc. on behalf of Great Lakes Power
Transmission LP seeking changes to the uniform
provincial transmission rates for 2013 and 2014.

BEFORE: Paula Conboy
Presiding Member

Ellen Fry
Member

DECISION AND ORDER

ON CONFIDENTIALITY, ISSUES LIST AND INTERIM RATE DATE

August 21, 2012

Great Lakes Power Transmission Inc. on behalf of Great Lakes Power Transmission LP (“GLPT”) filed an application with the Ontario Energy Board (the “Board”) on June 29, 2012 under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c.15, (Schedule B). GLPT is seeking Board approval for updated provincial transmission rates for 2013 and 2014 so as to permit GLPT to recover its forecasted revenue requirement for 2013 and for 2014.

On July 17, 2012 the Board issued a Notice of Application and Hearing.

Intervention Requests

On August 2, 2012 the Board issued Procedural Order No. 1 approving the intervention requests of Hydro One Networks Inc. (“HONI”), the Independent Electricity System Operator (“IESO”), the Vulnerable Energy Consumers Coalition (“VECC”), the Energy Probe Research Foundation (“Energy Probe”), and the School Energy Coalition (“SEC”). In that order the Board also granted cost eligibility to VECC, Energy Probe and SEC, all subject to GLPT’s right to object to the requests within 10 calendar days from the filing of the notice of intervention and request for cost eligibility. No objections were received.

Issues List

Procedural Order No.1 included a draft issues list, which was filed as part of GLPT’s pre-filed evidence, and parties were offered an opportunity to make submissions on it.

On August 13, SEC filed its submission which included a revised issues list. SEC argued that it would be preferable for the Board to adopt a Final Issues List that is consistent with wording and issues adopted in other rate applications instead of the draft issues list submitted by GLPT and contained in Procedural Order No.1. Energy Probe filed its submission on August 13 supporting the issues list proposed by SEC.

In its reply submission filed on August 16, GLPT indicated that it has no objection to adopting the issues list proposed by SEC and endorsed by Energy Probe.

The Board agrees with SEC that a more standardized wording in an issues list is desirable in this instance and approves the revised issues list proposed by SEC. The approved Final Issues List is appended as Appendix “A” to this Decision and Procedural Order.

Confidential Information

In a letter to the Board dated June 29, 2012 GLPT requested that certain information be treated in confidence as the subject documents contain information that would prejudice GLPT's load customers or raise public security concerns if disclosed ("Requested Confidential Information"). More specifically, GLPT indicated that the Requested Confidential Information describes certain standards of the North American Reliability Corporation relevant to its transmission system that in GLPT's submission require confidential treatment. GLPT also maintains that the disclosure of certain historical and forecasted charge determinant data would prejudice GLPT's load customers.

In Procedural Order No. 1, the Board designated as confidential, on an interim basis, the Requested Confidential Information. The Board also allowed any external counsel or external consultant for intervenors that wish to review the Requested Confidential Information to do so after signing a copy of the Board's Declaration and Undertaking and filing it with the Board and serving it on GLPT.

Procedural Order No. 1 also provided that parties who object to GLPT's request for confidential treatment were to file their submissions according to the schedule set out in the order.

In its August 13 submission SEC indicated that it does not object to GLPT's request for confidential treatment but submitted that GLPT should be required to place on the public record redacted versions of the documents.

On August 16, GLPT replied to SEC's request to file redacted versions of the documents by stating, in part, that:

"[...] it has filed this information in accordance with the Board Practice Direction on Confidential Filings. That is, in making the request for confidential treatment, GLPT filed the confidential information with the Board and non-confidential summary of the information publicly. Therefore, GLPT disagrees with SEC that further redacted version of the information should be made public. The appropriate redaction is what GLPT has already filed with the Board – i.e, the Application and Pre-filed Evidence with the confidential information carved out and provided in confidence to the Board."

The Board notes that the subject information is of the same nature and substance as information that has been declared confidential by the Board in proceeding EB-2010-0291 concerning GLPT's 2011/2012 transmission rates. The Board agrees with GLPT's view that it complied with the Board's Practice Direction on Confidential Filing by filing a non-confidential summary.

Requests for Interim and Effective Rates

In its Application, GLPT made three requests with respect to rates which the Board will address in this Decision:

1. Current rates should be made interim as of January 1, 2013;
2. Proposed rates for the 2013 test year should be made effective as of January 1, 2013; and
3. Proposed rates for the 2014 test year should be made effective as of January 1, 2014.

The Board will not render a decision on the request for interim rates at this point in the proceeding.

Hearing

The Applicant requested that this proceeding be conducted by way of written hearing. The Board indicated in the Notice of Application and Hearing that it intended at that point to proceed with this application by way of a written hearing and invited parties applying for intervention to indicate whether there is any objection to the Board proceeding in this fashion. The only party that commented was SEC in its August 13 submission where it stated that, "until interrogatories have been answered, we believe it is premature to assess whether a written or an oral hearing is more appropriate in this proceedingⁱ. " The Board will inform the parties at a later date whether it will proceed by way of an oral hearing.

THE BOARD ORDERS THAT:

1. The Final Issues List is the list attached as Appendix "A" to this Order.
2. Board staff and intervenors seeking information from GLPT in addition to the evidence filed with the Board shall request it by written interrogatories according to

the schedule set out in Procedural Order No.1 and within the scope of issues set out in Appendix "A".

All filings with the Board must quote file number EB-2012-0300, be made through the Board's web portal at www.pes.ontarioenergyboard.ca/eservice/, 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 are to 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 documents to 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.

DATED at Toronto on August 21, 2012

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix “A”

Final Issues List

**Great Lakes Power Transmission LP Rate Application
(2013 and 2014 Test Years)**

EB-2012-0300

August 21, 2012

1. General

- 1.1 Has GLPT responded appropriately to all relevant Board directions from previous proceedings?
- 1.2 Is the overall increase in 2013 and 2014 revenue requirement reasonable?

2. Rate Base

- 2.1 Is the proposed rate base for 2013 and 2014 appropriate?
- 2.2 Is the working capital allowance for 2013 and 2014 appropriate?
- 2.3 Is the capital expenditure forecast for 2013 and 2014 appropriate?
- 2.4 Is the capitalization policy and allocation procedure appropriate?

3. Load Forecast and Revenue Forecast

- 3.1 Is the load forecast and methodology appropriate?
- 3.2 Is the impact of CDM appropriately reflected in the load forecast??
- 3.3 Are Other Revenues forecasts appropriate?

4. Operations, Maintenance & Administration Costs

- 4.1 Are the overall OM&A forecast in 2013 and 2014 appropriate?
- 4.2 Are the proposed spending levels for Share Services and other costs in 2013 and 2014 appropriate?
- 4.3 Is the proposed level of depreciation/amortization expense for 2013 and 2014 appropriate?
- 4.4 Are the 2013 and 2014 compensation costs and employee levels appropriate?
- 4.5 Is the 2013 and 2014 forecast of property taxes appropriate?
- 4.6 Is the 2013 and 2014 forecast of income taxes appropriate?

5. Cost of Capital

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

6. Deferral/Variance Accounts

- 6.1 Are the proposed amounts, disposition and continuances of GLPT's existing Deferral and Variance Account appropriate?
- 6.2 Are the proposed new Deferral and Variance Account appropriate?

7. Cost Allocation

- 7.1 Is the cost allocation proposed by GLPT appropriate?

8. Rate Design

- 8.1 Is the proposed charge determinate forecast appropriate?
- 8.2 Is the proposed calculation of the Uniform Transmission Rates appropriate?

9. Modified International Financial Reporting Standards

- 9.1 Is the proposed revenue requirement determined using modified IFRS appropriate?
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