



EB-2012-0136

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S. O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF a review of an application
filed by Hydro One Networks Inc. for an order or
orders approving just and reasonable rates and other
charges for electricity distribution effective January 1,
2013.

PROCEDURAL ORDER NO. 3
November 6, 2012

Hydro One Networks Inc. (Hydro One) filed an application, dated June 15, 2012, with the Ontario Energy Board under section 78 of the *Ontario Energy Board Act, 1998*, c.15, Schedule B, and the Board's Incentive Regulation Mechanism (IRM) framework seeking approval for changes to the rates that Hydro One charges for electricity distribution, to be effective January 1, 2013. Hydro One has also applied for an adjustment to the rates it charges to accommodate proposed spending on projects contained in an Incremental Capital Module (ICM). The Board has assigned the application File Number EB-2012-0136.

The Board issued a Notice of Application and Hearing dated July 6, 2012. On August 10, 2012 the Board issued Procedural Order No.1, approving a list of intervenors and intervenor eligibility for cost awards. Procedural Order No. 1 also included a timetable for hearing events and a draft Issues List. The Board made provision for submissions on the draft Issues List by Hydro One and intervenors.

Procedural Order No. 2 was issued on September 6, 2012 approving the Issues List and setting a number of steps in the hearing process, including interrogatories on Hydro One's evidence and intervenor evidence.

Interim Rates

On September 27, 2012 Hydro One made a request that its existing 2012 rates for the distribution of electricity approved under proceeding EB-2009-0096 be declared interim effective January 1, 2013.

The Board will address this request at the start of the oral hearing on December 17, 2012.

FOCA Intervention

On October 12, 2012 the Federation of Ontario Cottagers Association (FOCA) submitted a request for late intervention status and an application for cost award eligibility. The Board approves both requests.

Confidentiality

Hydro One filed its interrogatory responses on October 11, 2012. Hydro One requested confidential treatment for two responses: Consumers Council of Canada (CCC) Interrogatory Exhibit I, Tab 1, Schedule 7.01 CCC 1 and Schedule 7.02 CCC 2. In these interrogatories, CCC requested copies of materials provided to Hydro One's Board of Directors and shareholder. Hydro One filed redacted versions of the information requested by CCC.

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 there is a compelling reason to keep the document confidential. 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.

The Board has reviewed the responses for which Hydro One has claimed confidentiality and approves the confidential status of these documents. The documents are substantially the same type of document which the Board has in the past found should be accorded confidential treatment. Any counsel or consultant for an intervenor who wishes to receive a copy of the confidential documents may 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 it on Hydro One. Hydro One has indicated that it has no objection with this approach.

Technical Conference

The Board has reviewed the interrogatory responses provided by Hydro One and has determined that a technical conference should be held. The purpose of the technical conference is to increase the efficiency of the oral proceeding by providing parties with an opportunity to clarify the evidence, including an opportunity to address any outstanding questions with regard to the interrogatory responses. Parties will be required to file in advance of the conference a list of specific questions related to the interrogatory responses. Parties should be specific and avoid only identifying the issues in which they have an interest or only providing a general subject area of interest.

Settlement Conference

The Board will also make provision for a settlement conference for this proceeding. The Board notes that in past Hydro One settlement conferences, the conference was often limited to scoping issues and designating issues for 'argument only'.

As stated in the Board's Settlement Conference Guidelines, the Board is committed to the settlement conference process as part of its objective of achieving greater regulatory efficiency and effectiveness. A successful settlement conference process will result in Board decisions that are in the public interest and are accepted by the parties while at the same time achieving savings in time and money to all participants.

The Board's expectation is that all parties will participate in settlement discussions in good faith and will make an effort to achieve a settlement, or partial settlement and thereby realize the benefits of the settlement process.

Hearing Plan

Should matters proceed to oral hearing, to ensure that the best use is made of the time available for the evidentiary portion of the oral proceeding, Hydro One, jointly with the parties are required to file a hearing plan with the Board by **December 11, 2012**. The plan will identify the issues that the intervenors and Board staff propose to examine orally, including the estimated time required for each issue. Parties should provide a compendium of the hearing exhibits on which they will be basing their cross examination, 48 hours in advance of the oral hearing. The Board will assume that any issues not identified by each party will not be examined any further during the oral hearing and will only be included in each party's final argument. The Board has

allocated three days for this hearing (December 17th, 18th, 19th), parties are therefore encouraged to consider the materiality and priority of the issues they wish to examine. The hearing plan will also identify and establish the sequence of Hydro One's witness panels.

The Board considers it necessary to make provision for the following matters related to this proceeding. The Board will issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

1. Consumers Council of Canada (CCC) Interrogatory Responses Exhibit I, Tab 1, Schedule 7.01 CCC 1 and Schedule 7.02 CCC 2 are confidential.
2. A transcribed Technical Conference shall be convened on **Thursday, November 22, 2012**, starting at 9:30 a.m. The Technical Conference will be held at 2300 Yonge Street, 25th Floor, Toronto in the West Hearing Room. Parties participating in the Technical Conference are requested to file with the Board and copy Hydro One and all other parties, by **Monday, November 12, 2012**, a list of questions related to the interrogatory responses on which they intend to seek clarification at the Technical Conference.
3. Hydro One shall respond to any undertakings given at the Technical Conference on or before **November 28, 2012**.
4. A Settlement Conference will be convened on **Friday, November 30, 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 ADR Room at 2300 Yonge Street, 25th Floor, Toronto, and may continue the next week until **December 4, 2012**, if needed.
5. Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board no later than **December 11, 2012**.
6. The proposed Hearing Plan described in this Procedural Order shall be filed with the Board by **December 11, 2012**.
7. Intervenor and Board staff are to file cross examination compendiums as noted above, no later than **December 13, 2012**.

8. The oral hearing will commence on **Monday, December 17, 2012** in the Board's North Hearing Room at 2300 Yonge Street, 25th floor, Toronto, at 9:30 a.m.

All filings to the Board must quote file number EB-2012-0136, be made through the Board's web portal at <https://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 shall 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 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.

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.

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

ISSUED at Toronto, November 6, 2012

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary