



**EB-2013-0115**

**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 Burlington Hydro Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2014.

**PROCEDURAL ORDER NO. 1**  
**December 17, 2013**

Burlington Hydro Inc. ("Burlington Hydro") filed a complete cost of service application with the Ontario Energy Board (the "Board") on October 25, 2013 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Burlington Hydro charges for electricity distribution, to be effective May 1, 2014. The Board has assigned the application file number EB-2013-0115.

The Board issued a Notice of Application and Hearing on November 13, 2013. The Vulnerable Energy Consumers Coalition ("VECC"), School Energy Coalition ("SEC") and Energy Probe Research Foundation ("Energy Probe") applied for intervenor status and cost eligibility. No objection was received from Burlington Hydro.

The Board approves VECC, SEC, and Energy Probe as intervenors. The list of parties in this proceeding is attached as Appendix A to this Procedural Order. The Board has also determined that VECC, SEC and Energy Probe are eligible to apply for an award of costs under the Board's *Practice Direction on Cost Awards*.

A draft Issues List is included as Appendix B to this Procedural Order. The draft Issues List enumerates the issues that arise when the application is examined in the context of the Board's *Renewed Regulatory Framework for Electricity Distributors: A Performance-*

*Based Approach.* The Board makes provision below for written submissions on the draft Issues List. After considering these submissions the Board will determine a final Issues List. The final Issues List will be used in conjunction with the *Filing Requirements for Electricity Distribution Rate Applications* to assist the Board in its decision.

The Board considers it necessary to make provision for the following matters related to this proceeding.

#### **THE BOARD ORDERS THAT:**

1. If Burlington Hydro, intervenors or Board staff wish to comment on the draft Issues List, they shall file written submissions with the Board and deliver them to all parties on or before **January 13, 2013**.

All filings to the Board must quote the file number, EB-2013-0115, be made electronically through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>, in searchable / unrestricted PDF format. Two paper copies must also be filed at the Board's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. 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.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Martha McOuat at [martha.mcouat@ontarioenergyboard.ca](mailto:martha.mcouat@ontarioenergyboard.ca) and Board Counsel, Ljuba Djurjevic at [ljuba.djurjevic@ontarioenergyboard.ca](mailto:ljuba.djurjevic@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](mailto:boardsec@ontarioenergyboard.ca)  
Tel: 1-888-632-6273 (Toll free)  
Fax: 416-440-7656

**DATED** at Toronto, **December 17, 2013**

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**Appendix 'A'**

**To**

**Procedural Order No. 1**

**Burlington Hydro Inc.**

**EB-2013-0115**

**Applicant and List of Intervenors**

**December 17, 2013**

**Burlington Hydro Inc.  
EB-2013-0115**

**APPLICANT & LIST OF INTERVENORS**

December 17, 2013

**APPLICANT**

**Rep. and Address for Service**

**Burlington Hydro Inc.**

**Kathi Farmer**

Manager  
Burlington Hydro Inc.  
1340 Brant St.  
Burlington, ON L7R 3Z7

Tel: 905-332-1851  
Fax: Not Provided  
[kfarmer@burlingtonhydro.com](mailto:kfarmer@burlingtonhydro.com)

**APPLICANT**

**Rep. and Address for Service**

**Burlington Hydro Inc.**

**Kathi Farmer**

Manager  
Burlington Hydro Inc.  
1340 Brant St.  
Burlington ON L7R 3Z7  
Tel: 905-332-1851 Ext: 284

Fax: Not Provided  
[kfarmer@burlingtonhydro.com](mailto:kfarmer@burlingtonhydro.com)

**APPLICANT COUNSEL**

**Andrew Taylor**

Andrew Taylor, Energy Law  
120 Adelaide Street West  
Suite 2500

Toronto ON M5H 1T1  
Tel: 416-644-1568  
Fax: 416-367-1954  
[ataylor@energyboutique.ca](mailto:ataylor@energyboutique.ca)

**Burlington Hydro Inc.  
EB-2013-0115**

**APPLICANT & LIST OF INTERVENORS**

December 17, 2013

**Michael Buonaguro**  
Barrister and Solicitor  
The Energy Boutique  
24 Humber Trail  
Toronto ON M6S 4C1  
Tel: 416-767-1666  
Fax: 416-767-1666  
[mrb@mrb-law.com](mailto:mrb@mrb-law.com)

**INTERVENORS**

**Energy Probe Research  
Foundation**

**Rep. and Address for Service**

**Randy Aiken**

Aiken & Associates  
578 McNaughton Ave. W.  
Chatham ON N7L 4J6  
Tel: 519-351-8624  
Fax: 519-351-4331  
[randy.aiken@sympatico.ca](mailto:randy.aiken@sympatico.ca)

**David MacIntosh**

Case Manager  
Energy Probe Research Foundation  
225 Brunswick Avenue  
Toronto ON M5S 2M6  
Tel: 416-964-9223 Ext: 235  
Fax: 416-964-8239  
[DavidMacIntosh@nextcity.com](mailto:DavidMacIntosh@nextcity.com)

**School Energy Coalition**

**Wayne McNally**

SEC Coordinator  
Ontario Public School Boards' Association  
439 University Avenue  
18th Floor  
Toronto ON M5G 1Y8  
Tel: 416-340-2540  
Fax: 416-340-7571  
[wmcnally@opsba.org](mailto:wmcnally@opsba.org)

**Burlington Hydro Inc.  
EB-2013-0115**

**APPLICANT & LIST OF INTERVENORS**

December 17, 2013

**School Energy Coalition**

**Mark Rubenstein**

Jay Shepherd Professional Corporation  
2300 Yonge St. Suite 806  
P.O. Box 2305  
Toronto ON M4P 1E4  
Tel: 416-483-3300  
Fax: 416-483-3305  
[mark.rubenstein@canadianenergylawyers.com](mailto:mark.rubenstein@canadianenergylawyers.com)

**Jay Shepherd**

Jay Shepherd Professional Corporation  
2300 Yonge St. Suite 806  
P.O. Box 2305  
Toronto ON M4P 1E4  
Tel: 416-483-3300  
Fax: 416-483-3305  
[jay.shepherd@canadianenergylawyers.com](mailto:jay.shepherd@canadianenergylawyers.com)

**Vulnerable Energy  
Consumers Coalition**

**Michael Janigan**

Special Counsel  
Public Interest Advocacy Centre  
ONE Nicholas Street  
Suite 1204  
Ottawa ON K1N 7B7  
Tel: 613-562-4002 Ext: 26  
Fax: 613-562-0007  
[mjanigan@piac.ca](mailto:mjanigan@piac.ca)

**Burlington Hydro Inc.  
EB-2013-0115**

**APPLICANT & LIST OF INTERVENORS**

December 17, 2013

**Vulnerable Energy  
Consumers Coalition**

**Mark Garner**

Project Manager  
Econalysis Consulting Services  
34 King Street East  
Suite 630  
Toronto ON M5C 2X8  
Tel: 647-408-4501  
Fax: 416-348-0641  
[mgarner@econalysis.ca](mailto:mgarner@econalysis.ca)

**Bill Harper**

Econalysis Consulting Services  
34 King Street East  
Suite 630  
Toronto On M5C 2X8  
Tel: 416-348 0193  
Fax: Not Provided  
[bharper@econalysis.ca](mailto:bharper@econalysis.ca)



**Appendix 'B'**

**To**

**Procedural Order No. 1**

**Burlington Hydro Inc.**

**EB-2013-0115**

**Draft Issues List**

**December 17, 2013**

**Draft Issues List  
Burlington Hydro Inc.  
2014 Cost of Service Rate Application  
EB-2013-0115**

**1. Foundation**

- 1.1 Does the planning (regional, infrastructure investment, asset management etc.) undertaken by the applicant and outlined in the application support the appropriate management of the applicant's assets?
- 1.2 Are the customer engagement activities undertaken by the applicant commensurate with the approvals requested in the application?

**2. Performance Measures**

- 2.1 Does the applicant's performance in the areas of: (1) delivering on Board-approved plans from its most recent cost of service decision; (2) reliability performance; (3) service quality, and (4) efficiency benchmarking, support the application?

**3. Customer Focus**

- 3.1 Are the applicant's proposed capital expenditures and operating expenses appropriately reflective of customer feedback and preferences?

**4. Operational Effectiveness**

- 4.1 Does the applicant's distribution system plan appropriately support continuous improvement in productivity, the attainment of system reliability and quality objectives, and the associated level of revenue requirement requested by the applicant?
- 4.2 Are the applicant's proposed OM&A expenses clearly driven by appropriate objectives and do they show continuous improvement in cost performance?
- 4.3 Are the applicant's proposed operating and capital expenditures appropriately paced and prioritized to result in reasonable rate increases for customers, or is any additional rate mitigation required?

**5. Public Policy Responsiveness**

- 5.1 Do the applicant's proposals meet the obligations mandated by government in areas such as renewable energy and smart meters and any other government mandated obligations?

## 6. Financial Performance

- 6.1 Do the applicant's proposed rates allow it to meet its obligations to its customers while maintaining its financial viability?
- 6.2 Has the applicant adequately demonstrated that the savings resulting from its operational effectiveness initiatives are sustainable?

## 7. Revenue Requirement

- 7.1 Is the proposed Test year rate base including the working capital allowance reasonable?
- 7.2 Are the proposed levels of depreciation/amortization expense appropriately reflective of the useful lives of the assets and the Board's accounting policies?
- 7.3 Are the proposed levels of taxes appropriate?
- 7.4 Is the proposed allocation of shared services and corporate costs appropriate?
- 7.5 Are the proposed capital structure, rate of return on equity and short and long term debt costs appropriate?
- 7.6 Is the proposed forecast of other revenues including those from specific service charges appropriate?
- 7.7 Has the proposed revenue requirement been accurately determined from the operating, depreciation and tax (PILs) expenses and return on capital, less other revenues?

## 8. Load Forecast, Cost Allocation and Rate Design

- 8.1 Is the proposed load forecast, including billing determinants an appropriate reflection of the energy and demand requirements of the applicant?
- 8.2 Is the proposed cost allocation methodology including the revenue-to-cost ratios appropriate?
- 8.3 Is the proposed rate design including the class-specific fixed and variable splits and any applicant-specific rate classes appropriate?
- 8.4 Are the proposed Total Loss Adjustment Factors appropriate for the distributor's system and a reasonable proxy for the expected losses?
- 8.5 Is the proposed forecast of other regulated rates and charges including the proposed Retail Transmission Service Rates appropriate?

- 8.6 Is the proposed Tariff of Rates and Charges an accurate representation of the application, subject to the Board's findings on the application?

**9. Accounting**

- 9.1 Are the proposed deferral accounts, both new and existing, account balances, allocation methodology, disposition periods and related rate riders appropriate?
- 9.2 Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified, and is the treatment of each of these impacts appropriate?