



EB-2013-0116

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

**DECISION ON CONFIDENTIALITY
ORDER FOR INTERIM RATES
AND
PROCEDURAL ORDER NO. 4**

April 9, 2014

Cambridge and North Dumfries Hydro Inc. ("CND") filed a complete cost of service application with the Ontario Energy Board (the "Board") on October 28, 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 CND charges for electricity distribution, to be effective May 1, 2014. The Board issued a Notice of Application and Hearing dated November 12, 2013.

The Board established procedures to facilitate a settlement conference which was held on March 6 and 7, 2013. CND filed a Settlement Proposal between itself and the registered intervenors (collectively, "the Parties") on April 2, 2014. As noted in the covering letter, the Settlement Proposal is not a complete settlement of all issues. The Parties have documented that the following issues remain unsettled:

1. OM&A (Issues 1.1, 1.2, 2.1, 3.1, 4.1, 4.2, 4.3, 5.1, 6.1, 6.2, 7.1, 7.4, 7.7 and 8.6): The Parties are not in agreement that the Applicant's proposed OM&A costs for the test year are appropriate.
2. Cost of Capital - Long Term Debt Component (Issue 7.5): The Parties are not in agreement that the Applicant's proposed long term debt cost in the test year is appropriate.
3. Other Revenues – Interest Component (Issue 7.6): The Parties are not in agreement that the Applicant's proposed interest revenues for the test year are appropriate.
4. Rate Design – GS 50 to 999 kW Fixed/Variable Split (Issue 8.3): The Parties are not in agreement that the Applicant's proposed fixed and variable split for the GS 50 to 999 kW rate class is appropriate.
5. Removal Costs (Issues 7.1, 7.2, 9.1 and 9.2): The Parties are not in agreement on the proper accounting treatment of removal costs in the test year. The Parties are also not in agreement on the inclusion of removal costs in account 1576 over the historic period.

The Board made provision that unsettled issues would be heard by way of an oral hearing.

The Board has scheduled an oral hearing for April 29 and, if necessary, April 30 and May 1, 2014.. Prior to hearing the unsettled issues, the Parties will be required to present the Settlement Proposal to the Board. In addition, the Parties should be prepared to explain to the Board how the partially settled matters relate to the unsettled issues which will be the focus of the oral hearing.

CND should be prepared to provide its Argument-in-Chief orally at the conclusion of the oral hearing. Dates for further submissions and reply submissions will be determined at the oral hearing.

Confidentiality

Pursuant to Procedural Order No.2, CND filed its interrogatory responses with the Board on February 25, 2014, in which CND asked the Board to hold the responses to School Energy Coalition ("SEC") interrogatory 7.1-SEC-40 (d) in confidence.

The interrogatory requested that CND provide the most recent financial statements for Cambridge and North Dumfries Energy Solutions Inc. and Cambridge and North Dumfries Energy Plus Inc. CND responded stating that these two companies are non-regulated affiliates. CND filed the financial statements for CND Energy Plus Inc. and CND Energy Solution Inc. for the period September 30, 2013 on a confidential basis. CND further explained that CND Energy Solution Inc. is a corporation engaged in a competitive business and the public disclosure of these financial statements could prejudice the affiliate's competitive position.

On February 27, 2014, the Board issued Procedural Order 3 which made provision for submissions regarding the request for the confidential treatment of interrogatory response referenced above by March 4, 2014 and reply submission by CND by March 6, 2014.

No submissions were received.

Board Findings

CND filed the financial statements of its affiliated parties in confidence. No parties filed submissions challenging CND's request for confidential treatment of these statements. Information contained in the financial statements does not appear to be related to the unsettled issues, and hence the Board concludes that the information, if used, was satisfactory for the resolution of matters agreed to by the parties in the Settlement Proposal.

While the Board's strong preference is to make information publically available, in this case the Board concludes that the specific direct harm to CND's affiliates that could arise from public disclosure of their audited financial statements outweighs the benefit of public disclosure, given that the issue related to the financial information has been agreed to by the Parties in the Settlement Proposal. Therefore, the Board grants confidential status to the documents filed by CND, specifically the financial statements

for CND Energy Plus Inc. and CND Energy Solution Inc. for the period ended September 30, 2013.

Interim Rates

CND has requested an effective date for its new rates of May 1, 2014.

The Board is prepared to make CND's current approved rates interim pending the outcome of this proceeding. This determination is made without prejudice to the Board's Decision on CND's application, and should not be construed as predictive, in any way whatsoever, of the Board's final determination with regards to the effective date for CND's rates arising from this Application.

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

THE BOARD ORDERS THAT:

1. An oral hearing will be convened on **April 29, 2014** starting at 9:30 a.m., at 2300 Yonge Street, 25th floor, Toronto in the North Hearing Room. If necessary, the oral hearing shall continue on **April 30 and May 1, 2014**.
2. CND's current Board-approved Tariff of Rates and Charges is declared interim effective May 1, 2014.
3. The Board grants confidential status to the documents filed by CND, specifically the financial statements for CND Energy Plus Inc. and CND Energy Solution Inc. for the period ended September 30, 2013. Where possible, parties shall frame cross examination questions related to the confidential material in a manner that will allow the questions and responses to be placed on the public record.

To the extent possible, parties shall frame submissions related to the confidential material in a manner that will allow the submissions to be placed on the public record. If parties are not able to frame submissions in a manner that allows them to be placed on the public record, those submissions must be marked confidential.

4. Following the end of the proceeding, parties in receipt of confidential materials shall either return the subject information to the Board for destruction, or either destroy or expunge, as applicable, the information and execute a Certificate of Destruction. The Certificate of Destruction, that is Appendix D of the Practice Direction, must be filed with the Board.

All filings to the Board must quote the file number, EB-2013-0116, 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, Christie Clark at Christie.Clark@ontarioenergyboard.ca and Board Counsel, Maureen Helt at Maureen.Helt@ontarioenergyboard.ca.

ADDRESS

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DATED at Toronto, April 9, **2014**

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary