



EB-2014-0301
EB-2014-0072

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 Essex Powerlines Corporation for an order approving a Smart Meter Disposition Rate Rider ("SMDR") and a Smart Meter Incremental Revenue Requirement Rate Rider ("SMIRR"), each to be effective January 1, 2015;

AND IN THE MATTER OF an application by Essex Powerlines Corporation for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2015.

PROCEDURAL ORDER NO. 2

February 06, 2015

On September 23, 2014, Essex Powerlines Corporation ("Essex Powerlines") filed an application seeking approval for its final smart meter installation costs (EB-2014-0301). On September 26, 2014, Essex Powerlines applied for an annual Price Cap IR adjustment (EB-2014-0072). The Board decided to hear both applications as a consolidated hearing.

The Board approved the Vulnerable Energy Consumers Coalition ("VECC") as an intervenor and found that VECC is eligible to apply for an award of costs in relation to Essex Powerlines' request for smart meter cost recovery.

Board staff and VECC filed interrogatories and submissions. Essex Powerlines filed its reply submission on January 20, 2015.

In its reply submission, Essex Powerlines included new information relating to an accounting error that was not known before the application was filed or the interrogatory responses were provided. The Board generally does not accept new information provided in reply submission when the record has closed.

The error relates to the allocation of the Independent Electricity System Operator's ("IESO") Global Adjustment and Hydro One Network Inc.'s power billings for the 2011, 2012 and 2013 rate years. The allocation affects Regulated Price Plan ("RPP") and non-RPP customers (i.e. those purchasing electricity from a retailer or making individual arrangements for power procurement). To correct the error, Essex Powerlines proposed an adjustment and re-allocation between RPP and non-RPP customers of approximately \$11.5 million. The proposed accounting adjustments are a credit to Account 1588 and a debit to Account 1589, both variance accounts. As a result of these proposed adjustments, some customers would receive a credit refund and others would have a debit balance owing.

The Board finds that it must re-open the record of this proceeding. The Board requires Essex Powerlines to file the following new evidence:

- Any relevant material from prior Board proceedings
- Details regarding the source of the error
- The process followed to determine the correcting accounting entries
- Calculations supporting the correcting accounting entries for each year separately (2011, 2012 and 2013)
- Any required changes to the Rate Generator Model
- The proposed bill impacts and rate mitigation strategy if the errors from all 3 years are corrected collectively (2011-2013)
- The proposed bill impacts and rate mitigation strategy if only the errors from 2013 were corrected

The Board grants intervenor status and cost awards eligibility to all intervenors of record in Essex Powerlines' last cost of service proceeding, EB-2009-0143 (the "Parties")¹.

¹ Town of Amherstburg, Town of LaSalle, Municipality of Leamington, and Town of Tecumseh ("Representatives of the Streetlight Class"); Energy Probe Research Foundation ("Energy Probe"); the School Energy Coalition ("SEC"); and the Vulnerable Energy Consumers Coalition ("VECC")

The Board asks the Parties and Board staff to consider and provide written submissions to Board, on the following questions:

Should the Board consider an adjustment to the 2011 and 2012 DVA balances which were disposed of on a final basis as part of Essex Powerlines Corporation's 2014 IRM proceeding (EB-2013-0128)? Would any such adjustment violate the legal requirements concerning retroactive ratemaking?

Following the Board's determination of whether or not the 2011 and 2012 DVA balances are within the scope of this proceeding, an opportunity will be afforded to the Parties to examine the new evidence filed by Essex Powerlines.

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

THE BOARD ORDERS THAT:

1. Essex Powerlines shall file the new evidence, as outlined, with the Board on or before **February 11, 2015**.
2. Essex Powerlines shall forthwith serve a copy of this Procedural Order #2 on each of the intervenors of record in Essex Powerlines' last cost of service proceeding, EB-2009-0143: Town of Amherstburg, Town of LaSalle, Municipality of Leamington, and Town of Tecumseh ("Representatives of the Streetlight Class"); Energy Probe Research Foundation ("Energy Probe"); the School Energy Coalition ("SEC"); and the Vulnerable Energy Consumers Coalition ("VECC"), (collectively, the "Parties").
3. Board staff and any of the Parties wishing to file a written submission with the Board on the questions of retroactivity, as set out above, shall do so by **February 23, 2015**.
4. Essex Powerlines may file a written reply submission with the Board by **February 27, 2015**.

All filings to the Board must quote the file numbers EB-2014-0301 and EB-2014-0072 and 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, Georgette Vlahos at georgette.vlahos@ontarioenergyboard.ca and Board Counsel, Richard Lanni at richard.lanni@ontarioenergyboard.ca.

ADDRESS

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DATED at Toronto, February 06, 2015

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary