



**EB-2013-0421**

**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 Hydro One Networks Inc. for an order or orders pursuant to section 92 of the *Ontario Energy Board Act, 1998* (as amended) granting leave to construct transmission line facilities in the Windsor-Essex Region, Ontario.

**PROCEDURAL ORDER NO. 7**  
**July 10, 2015**

Hydro One Networks Inc. (Hydro One) applied to the Ontario Energy Board (the OEB) for an order granting leave to construct approximately 13 kilometers of transmission line in the Windsor-Essex area and to install optic ground wire on existing and new towers as part of the Supply to Essex County Transmission Reinforcement project (SECTR Project). The Application was filed on January 22, 2014, under s. 92 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B (the Act). Pursuant to Procedural Order No. 3, Hydro One filed an updated application on February 12, 2015, which also included the approvals sought for the associated Leamington Transformer Station (TS) arising out of the decision on threshold questions issued by the OEB on December 16, 2014. The OEB decided that the proceeding would be addressed in two phases. Phase 1 would deal with the leave to construct application, including consideration of the component and total costs of the project, but would not address the cost allocation issues. Phase 2 of the proceeding would deal with the cost allocation.

Pursuant to Procedural Order No. 6, and related to Phase 1, Hydro One filed its submission noting additional benefits associated with the Leamington TS alternative and that the addition of distribution level costs to its assessment would not change Hydro One's position that the Leamington TS is the preferred option.

Hydro One also submitted if it is the OEB's intent that Hydro One proceed with the SECTR Project before the cost allocation is determined, Hydro One would seek assurance, on behalf of its shareholder and ratepayers, that the project costs are recoverable from the appropriate parties. Hydro One offered the following potential options for the OEB's consideration:

1. The OEB approve an interim methodology and associated cost recovery agreements for execution with parties. Once these agreements are signed, Hydro One would then commence construction procedures; or
2. Hydro One would capture all construction project costs in a new OEB-approved transmission deferral account so that the construction process could begin.

Hydro One submitted that once the OEB's new cost allocation rules are in place, Hydro One would apply them retroactively in accordance with the OEB's decision on Phase 2. Hydro One also noted that in the event the SECTR Project's facilities are not ultimately placed in service, Hydro One would seek future disposition of any otherwise unrecovered costs, via a deferral account, from all transmission ratepayers.

The OEB notes that it will be issuing a decision in due course on Phase 1.

E3 Coalition filed evidence related to Phase 2 of this proceeding and the proposed cost allocation methodology put forward by Hydro One and information regarding the potential rate impacts on the distribution customers of E.L.K. Energy Inc., Entegrus Powerlines Inc., and Essex Powerlines Corporation (which together make up the E3 Coalition). The evidence also addresses the current load forecasts for each of these distributors and compares them to the load forecasts used by Hydro One in its application.

The OEB has determined that it will cancel the oral hearing planned for July 16 and July 17, 2015 until further notice.

The OEB considers it necessary to make provision for the following procedural matter. The OEB may issue further procedural orders from time to time.

**THE OEB ORDERS THAT:**

1. The Oral Hearing scheduled on July 16 and July 17, 2015 is postponed until further notice.

All filings to the OEB must quote the file number, EB-2013-0421, be made electronically in searchable / unrestricted PDF format through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca). If the web portal is not available you may email your document to the address below.

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](mailto:Boardsec@ontarioenergyboard.ca)  
Tel: 1-888-632-6273 (toll free)  
Fax: 416-440-7656

**DATED** at Toronto, July 10, 2015

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary