



PUBLIC INTEREST ADVOCACY CENTRE
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October 18, 2016

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Re: EB-2016-0160 Hydro One Inc. 2017 and 2018 Transmission Cost-Of-Service
Submissions on SEC Motion of September 18, 2016**

On October 12, 2016 the Board issued Procedural Order No. 3 in the above noted proceeding. Among other things, that Order makes provision for some, but not all parties to the proceeding to make submissions with respect to 5 questions of clarification that were raised at the Technical Conference of September 22 and 23. VECC would request leave from the Board to comment on the SEC motion request. In the event that such leave is granted, we would seek to put before the Board the following brief comments with respect to the motion for disclosure in particular on issue question 3 – Hydro one Business Group Business Plan. (We apologize for including these comments in our request for leave, but VECC does not wish to unduly prolong this preliminary process).

VECC Motion Submissions

We would invite the Board to review VECC's follow-up to the refusal of Hydro One to provide the noted information (Vol. 1 pgs. 58-61). The discussion was with respect to the CCFS costs as shown in the table reproduced below from Exhibit C1, Tab3, Schedule 3. Parties were seeking information on the justification for the amounts shown in this table and as part of that the underlying budgets which support these proposed costs to be recovered in rates. We noted that all the costs in questions were above the material threshold as defined in the Board's filing guidelines. The Applicant confirmed to the parties that there was not comprehensive business plan filed in this proceeding (see Vol. 1 page 61). In lieu of a comprehensive business plan it seems reasonable to us to seek the underlying individual department plans which provide the basis for the monies sought in rates.

Table 1: CCFS Costs (\$ Millions)

Description	Historic Years				Bridge Year	Test Years		TX Allocation	
	2012	2013	2014	2015	2016	2017	2018	2017	2018
Corporate Management	5.0	4.9	5.5	5.4	11.1	22.3	22.1	7.2	7.1
Finance	35.2	41.9	41.0	40.4	42.2	41.0	38.6	21.9	19.4
People and Culture	9.9	11.1	13.1	13.9	16.0	14.8	14.2	7.6	7.3
Corporate Relations	11.3	15.0	19.6	17.4	17.5	17.3	19.4	8.7	9.9
General Counsel and Secretariat	8.8	9.6	9.3	9.3	10.5	10.4	10.5	5.5	5.6
Regulatory Affairs	20.6	20.6	23.1	24.4	25.8	27.4	27.9	10.5	10.7
Security Management	3.1	3.4	3.5	4.2	5.1	4.7	4.8	2.2	2.3
Internal Audit	3.5	3.4	4.0	4.3	6.0	6.3	6.4	3.3	3.4
Real Estate and Facilities	54.6	54.1	53.6	60.0	60.1	59.6	60.7	32.2	32.7
Total CCF&S Costs	152.0	164.0	172.8	179.4	194.2	203.8	204.6	99.2	98.4

The objection raised by Hydro One appears to be that parties are seeking too much granularity. It is not, as we understand it, that the information is not readily available, or that any specific harm is expected from providing. In our view the information is being withheld simply to gain strategic advantage by eliminating areas of inquiry by limiting what should be publicly available information.

While VECC is specifically interested in the information with respect to question number 3, we would also submit that the remainder of the questions fall into a similar category. The questions go to information that is relevant, material and readily available. In our submission there is no reason that the requested material cannot be provided at minimal effort and cost by the Applicant.

Respectfully,



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