

October 18, 2016

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

Dear Ms. Walli:

Re: EB-2016-0160 – Hydro One Networks Inc. Transmission – 2017 and 2018 Rates

We are consultants to the Consumers Council of Canada (“Council”) an intervenor in the above-referenced proceeding. On September 18, 2016, the School Energy Coalition (“SEC”) filed a Motion seeking an order requiring Hydro One Networks Inc. (“HON”) to provide full and adequate responses to a number of interrogatory and technical conference questions.

In its Procedural Order dated October 12, 2016, the Ontario Energy Board (“OEB”) set dates for OEB Staff and HON to file submissions with respect to the SEC motion and the Motion filed by Environmental Defense. There was no provision for other intervenors to file submissions. On October 18, 2016, the Vulnerable Energy Consumers Coalition (“VECC”) filed a letter with the OEB seeking leave from the OEB to make submissions regarding the SEC Motion. The Council is making a similar request through this letter.

We would like to indicate our full support for the submissions made by SEC. The information requested by SEC is, in our view, relevant to the proceeding. We will not repeat the submissions of SEC, but would like to stress the importance of allowing parties to test the proposed costs underlying HON’s Application for rates for 2017 and 2018. The information requested by SEC is critical to testing HON’s evidence. This is a cost of service proceeding and in order to set an appropriate revenue requirement parties must be afforded the opportunity to test the underlying cost structure used to derive the revenue requirements for the test years.

Specifically, the Council sees considerable value in reviewing the individual departmental business plans, which SEC has requested. This will allow parties to test the underlying budgets for those departments. HON has indicated that the OEB should not be testing the budgets of individual business groups within the Company because that level of granularity is not the type of enquiry intended for this proceeding (Technical Conference Transcript, Vol. 1, p. 26). The Council disagrees. In a cost of service proceeding, the individual department costs are always a consideration in determining the overall level of Operating, Maintenance and Administration costs to be recovered in rates. We urge the OEB to reject HON’s position regarding relevance and order the production of those departmental business plans.

Yours truly,

Julie E. Girvan

Julie E. Girvan

CC: HON Regulatory Affairs
Gordon Nettleton, McCarthy Tetrault
All parties