



EB-2016-0201

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 extension of an existing deferral account.

BEFORE: Ken Quesnelle
Presiding Member

DECISION AND ORDER

April 27, 2017

Background

On July 18, 2016, the OEB issued its Regulated Price Plan Roadmap: Guideline for Pilot Projects on RPP Pricing (Guideline). With the release of the Guideline, the OEB invited distributors to participate in developing and implementing priority price and non-price pilots that have been identified by the OEB. On August 19, 2016, Hydro One Networks Inc. (HONI) submitted an application to develop and implement price and non-price pilots, including the continuation of pilots that it currently had underway.

On September 23, 2016, the OEB issued a Decision and Order granting HONI a deferral account for costs associated with extending the existing Smart Grid Fund pilot. The OEB required that HONI not record more than \$1 million in the account, and limited the time period for cost recording from October 1, 2016 to April 30, 2017. Through a Decision and Order dated November 17, 2016, the OEB established the Accounting Order for the deferral account.

By letter dated April 25, 2017, HONI asked that the time period for the deferral account be extended to July 31, 2017 in order to continue to record the costs of its SGF pilot.

Findings

The OEB has proceeded to issue this Decision and Order without a hearing. As the request is for the extension of an existing deferral account, and the costs recorded in the deferral account will be subject to a prudence review before any costs are recovered from ratepayers, no person other than HONI will be adversely affected in a material way by the outcome of this process.

The OEB has determined that it will extend the end date for HONI's deferral account associated with the existing SGF pilot until July 31, 2017 to facilitate continuation of the pilot. The amount that HONI may collect within this deferral account remains limited to \$1 million, consistent with the September 23 Decision and Order issued by the OEB. The recovery of amounts recorded in the deferral account will be subject to an OEB determination of prudence prior to any disposition of the account.

THE BOARD ORDERS THAT:

1. The period for which costs may be recorded by Hydro One Networks Inc. in Account 1508 Other Regulatory Assets – Sub-account SGF Pilot Deferral Account is extended to July 31, 2017. An amended Accounting Order is attached as Appendix A to this Decision and Order.

DATED at Toronto, April 27, 2017

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

HONI Accounting Order

Board Order No: EB-2016-0201

Dated April 27, 2017

**Hydro One Networks Inc. Accounting Order
EB-2016-0201**

Account 1508 Other Regulatory Assets – Sub-account SGF Pilot Deferral Account

Hydro One Networks Inc. shall establish this new deferral account effective October 1, 2016 to record costs associated with extending the existing SGF Pilot as approved by OEB in its decision for EB-2016-0201. As noted in the decision, these costs shall not exceed \$1 million in the account and all such amounts shall be limited to the costs for extending the pilots from October 1, 2016 to July 31, 2017.

The disposition of the deferral account will be subject to an OEB determination of prudence.

The accounting entries to be recorded are as follows:

USofA #	Account Description
Dr: 53XX	Billing and Collecting Expense account
Cr: 2205	Accounts Payable

USofA #	Account Description
Dr: 1508	Other Regulatory Assets – Sub account “SGF Pilot Deferral Acct”
Cr: 53XX	Billing and Collecting Expense account range

To record rebates to customers as well as implementation and maintenance costs associated with the extension of the SGF pilot program.

USofA #	Account Description
Dr: 1508	Other Regulatory Assets – Sub account “SGF Pilot Deferral Acct”
Cr: 6035	Other Interest Expense

To record carrying charges on the principal balance of the “SGF Pilot Deferral Acct”.