



EB-2017-0051

Hydro One Remote Communities Inc.

**Application for electricity rates and proposed revenue
requirement effective May 1, 2018**

PROCEDURAL ORDER NO. 1

December 14, 2017

Hydro One Remote Communities Inc. (Hydro One Remotes) filed a cost of service application dated August 28, 2017 with the Ontario Energy Board (OEB) pursuant to section 78 of the *Ontario Energy Board Act, 1998*, for an order or orders approving its 2018 revenue requirement and customer rates for the distribution and generation of electricity, effective May 1, 2018.

Hydro One Remotes last filed a cost of service application¹ in 2012 for 2013 rates. From 2014 to 2018 (April 30, 2018). Hydro One Remotes is under the OEB's 4th Generation Incentive Regulation Mechanism (IRM) for electricity distributors. The IRM framework adjusts rates on an annual basis using a mechanistic formula tied to inflation, a productivity factor and a stretch factor.

The OEB issued a Notice of Hearing on November 16, 2017. The last date for intervention was December 4, 2017. The OEB held a community meeting on November 29, 2017 in Thunder Bay, Ontario where customers of Hydro One Remotes heard from the OEB about its role, how it regulates the energy industry and how customers can participate and voice their questions, comments and concerns with respect to Remotes' application. The attendees also heard from Hydro One Remotes about its application and its justification for the requested increase.

Energy Probe Research Foundation (Energy Probe) and Vulnerable Energy Consumers Coalition (VECC) applied for intervenor status and cost eligibility. No objections were received regarding the requests for intervenor status or cost eligibility.

¹ EB-2012-0137

Energy Probe and VECC are granted intervenor status. The list of intervenors in this proceeding is attached as Schedule A to this procedural order.

Energy Probe and VECC are each eligible to apply for an award of costs under the OEB's *Practice Direction on Cost Awards*. Cost eligible intervenors should be aware that the OEB will not generally allow the recovery of costs for the attendance of more than one representative of any party, unless a compelling reason is provided when cost claims are filed. The OEB also expects that intervenors will combine their interventions with those of similarly interested parties, will co-operate with all other parties to the extent possible and will be mindful to avoid duplication.

Issues List

It is the OEB's expectation that parties will be best positioned to identify issues relevant to Hydro One Remotes' application after the applicant has responded to interrogatories. Hydro One Remotes, OEB staff and the intervenors shall develop and OEB staff shall file a proposed issues list for the OEB's consideration. The OEB will approve an issues list prior to the settlement conference.

Interrogatories

At this time, provision will be made for written interrogatories. The OEB will review the single test year application both in the context of the projects and programs that are requested for the test year and from the perspective of the Hydro One Remotes' plans for the subsequent four years until the next scheduled rebasing application.

Parties should examine the value presented by the proposed investments as opposed to focussing only on the costs. Parties should also assess the fit between the applicant's plans and its stated objectives, and consider how the plans contribute to positive outcomes for customers, in particular those outcomes that arise from the asset management decisions reflected in the applicant's distribution system plan. The OEB will consider the entire five year distribution system plan to assess the planning and pacing proposals of the applicant and whether the test year requests are appropriately aligned with the distribution system plan. The OEB will also consider productivity and benchmarking results in assessing cost forecasts, bill impacts and distributor performance.

Parties should not engage in detailed exploration of items that do not appear to be material. Parties should use the materiality thresholds documented in Chapter 2 of the Filing Requirements as a guide. In making its decision on cost awards, the OEB will

consider whether intervenors made reasonable efforts to ensure that their participation in the hearing was focused on material issues.

Parties should consult sections 26 and 27 of the OEB's Rules of Practice and Procedure regarding required naming and numbering conventions and other matters related to interrogatories.

Presentation Day

Following the settlement conference, provision will be made for the presentation of any settlement proposal filed by Hydro One Remotes, whether full or partial, and for the presentation of any unsettled issues to be adjudicated by the OEB. Hydro One Remotes' presentation is intended to summarize and provide any salient information for the OEB's consideration in reviewing the settlement proposal. With respect to any unsettled issues, the presentation should focus on how the issues relate to the business conditions Hydro One Remotes anticipates over the next 5 years, the planning it has undertaken to address system needs and customer preferences, and its proposal regarding how the costs of distributing electricity ought to be recovered from customers through the rates they pay, taking into consideration the OEB's policies. The purpose of the presentation is not to provide an opportunity for cross-examination by the parties, but rather for Hydro One Remotes to present any settlement and any remaining issues in the case.

It is necessary to make provision for the following matters related to this proceeding. The OEB may issue further procedural orders from time to time.

IT IS THEREFORE ORDERED THAT:

1. OEB staff and intervenors that require information and material from Hydro One Remotes that is in addition to Hydro One Remotes' evidence, and that is relevant to the hearing, shall request it by written interrogatories filed with the OEB and delivered to Hydro One Remotes and all intervenors by **January 8, 2018**.
2. Hydro One Remotes shall file with the OEB complete responses to the interrogatories and deliver them to the intervenors and OEB staff by **January 26, 2018**.
3. OEB staff shall file a proposed issues list, or, alternatively, shall advise the OEB in writing that the parties and OEB staff have been unable to reach an agreement on a draft issues list by **February 2, 2018**.

4. Unless otherwise ordered by the OEB, a settlement conference will be convened on **February 6 and 7, 2018**, with the objective of reaching a settlement among the parties. The settlement conference will be held in the OEB's hearing room at 2300 Yonge Street, 25th Floor, Toronto, Ontario.
5. Any settlement proposal arising from the settlement conference shall be filed with the OEB by **February 22, 2018**. If the settlement proposal is a partial settlement, the outstanding or disputed issues shall be scoped and well-defined, with a recommendation for hearing the issues orally or by written submission.
6. If a settlement proposal is filed, OEB staff's submission on the settlement proposal shall be filed with the OEB and served on all parties within **7 days** of the date that the settlement proposal is filed.
7. If there is no settlement proposal arising from the settlement conference, Hydro One Remotes shall file a statement to that effect with the OEB by **February 14, 2018**.
8. The OEB is setting a tentative date of **March 6, 2018 at 9:30 a.m.** in the OEB's hearing room at 2300 Yonge Street, 25th Floor, Toronto for Hydro One Remotes to present to the OEB any settlement proposal and a summary of any unsettled issues in the case. OEB staff will, at the direction of the OEB, confirm or amend this date in subsequent correspondence.

All filings to the Board must quote the file number, **EB-2017-0051** and 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. 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.

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, Khalil Viraney at Khalil.Viraney@oeb.ca and Board Counsel, Michael Millar at Michael.Millar@oeb.ca.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, December 14, 2017

ONTARIO ENERGY BOARD

By delegation, before: Kristi Sebalj

Original signed by

Kristi Sebalj
Registrar

Schedule A

Procedural Order No. 1

Hydro One Remote Communities Inc.

EB-2017-0051

Applicant and List of Intervenors

December 14, 2017

Hydro One Remote Communities Inc.
EB-2017-0051

APPLICANT & LIST OF INTERVENORS

December 14, 2017

APPLICANT

Rep. and Address for Service

**Hydro One Remote
Communities Inc.**

Eryn MacKinnon

Senior Regulatory Coordinator
Hydro One Remote Communities Inc.
483 Bay Street
7th Floor, South Tower
Toronto, ON M5G 2P5

Tel: 416-345-4479
Fax: 416-345-5866
regulatory@hydroone.com

Hydro One Networks Inc.

Mr. Michael Engelberg

Hydro One Networks Inc.
Assistant General Counsel
483 Bay Street
15th Floor - North Tower
Toronto ON M5G 2P5

Tel: 416-345-6305
Fax: 416-345-6972
mengelberg@hydroone.com

INTERVENORS

Rep. and Address for Service

**Energy Probe Research
Foundation**

Brady Yauch

Energy Probe Research Foundation
225 Brunswick Avenue
Toronto ON M5S 2M6

Tel: 416-964-9223 Ext: 236
Fax: 416-964-8239
bradyyauch@consumerpolicyinstitute.org

**Energy Probe Research
Foundation**

Roger Higgin

Sustainable Planning Associates Inc.
15 Malabar Place
Toronto ON M5B 1A4
Tel: 416-391-0738
Fax: Not Provided
spainc@rogers.com

Hydro One Remote Communities Inc.
EB-2017-0051

APPLICANT & LIST OF INTERVENORS

December 14, 2017

**Vulnerable Energy
Consumers Coalition**

Cynthia Khoo

Counsel
Public Interest Advocacy Centre
One Nicholas Street
Suite 1204
Ottawa ON K1N7B7
Tel: 13-562-4002
Fax: Not Provided
ckhoo@piac.ca

Shelley Grice

Consultant
Econalysis Consulting Services
34 King Street East
Suite 630
Toronto ON M5C 2X8
Tel: 647-880-9942
Fax: 416-348-0641
shelley.grice@rogers.com