



**Ontario Energy Board
Commission de l'énergie de l'Ontario**

**DECISION AND ORDER ON COST
AWARDS**

EB-2016-0160

HYDRO ONE NETWORKS INC.

**2017 and 2018 Transmission Revenue Requirements and Charge
Determinants**

BEFORE: Ken Quesnelle
Presiding Member

Emad Elsayed
Member

January 9, 2018

INTRODUCTION AND SUMMARY

Hydro One Networks Inc. (Hydro One) filed a cost of service application with the Ontario Energy Board (OEB) on May 31, 2016 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to its transmission revenue requirement and to the Ontario Uniform Transmission Rates, to be effective January 1, 2017 and January 1, 2018.

The OEB granted the Anwaatin Inc. (Anwaatin), Association of Major Power Consumers in Ontario (AMPCO), Building Owners and Managers Association, Greater Toronto (BOMA), Canadian Manufacturers & Exporters (CME), Consumers Council of Canada (CCC), Energy Probe Research Foundation (Energy Probe), Environmental Defense Canada Inc. (ED), London Property Management Association (LPMA), School Energy Coalition (SEC) and Vulnerable Energy Consumers Coalition (VECC) intervenor status and cost award eligibility.

On November 9, 2017, the OEB issued its Decision and Order in which it set out the process for intervenors to file their cost claims, for Hydro One to object to the claims and for intervenors to respond to any objections raised by Hydro One.

The OEB received cost claims from Anwaatin, AMPCO, BOMA, CME, CCC, Energy Probe, ED, LPMA, SEC and VECC. On November 29, 2017, Hydro One filed a letter outlining its objections to BOMA's and Anwaatin's cost claims. Hydro One noted that the claims submitted by BOMA and Anwaatin were significantly higher than the others. Hydro One further noted that BOMA recorded 181 hours working on Argument which was more than forty hours longer than the second highest effort under the same category, which was recorded by SEC.

Hydro One noted that the OEB had established in Procedural Order No. 1 that it generally does not allow recovery of costs for more than one representative of any party, unless a compelling reason is provided when cost claims are filed. Hydro One objected that, despite the OEB's clear expectations, Anwaatin had chosen to seek recovery of costs for six participants in this proceeding, more than any other intervenor, including expert costs of \$82,323. In support of its evidence, Hydro One provided a spreadsheet containing the quantitative details of cost claims received to date.

On December 5, 2017, BOMA replied to Hydro One's objections to the costs claimed, arguing that it spent a great deal of time examining the corporate income tax and departure tax issues which involved very large amounts of money, in the hundreds of millions over a number of years, to be allocated among shareholders and ratepayers.

BOMA stated that its argument provided a detailed analysis of Hydro One's efforts to reflect customer needs and preferences, its budget priorities, the magnitude of its accelerated increase in proposed capital spending relative to historical periods and problems with the "reliability risk" concept.

On December 6, 2017, Anwaatin replied to Hydro One's objections to the costs claimed, arguing that the number of participants and their participation was consistent with Procedural Order No. 1 and the expert costs were reasonable. Anwaatin noted that it did not bill for the attendance of more than one representative and that where more than one representative from Anwaatin appeared before the OEB, only one billed for their time.

Findings

The OEB has reviewed the claims filed to ensure that they are compliant with the OEB's *Practice Direction on Cost Awards*.

The OEB approves the cost claims as submitted with the following exceptions.

BOMA's cost claim is reduced by 40.0 hours (\$13,200.00 plus HST). The OEB finds that the total number of hours claimed by BOMA in the Argument category is significantly higher than all other intervenors. This issue was raised in Hydro One's objection letter but was not directly addressed by BOMA in its response letter. BOMA's claim of 181.0 hours in this category is 41.7 hours higher than the next highest claim with no compelling reason provided by BOMA for this disparity. Therefore, BOMA's cost claim is reduced by 40.0 hours to bring it in line with the next highest claim.

Anwaatin's cost claim is reduced by 34.5 hours (\$11,005.00 plus HST) related to Anwaatin's consultant (Shared Value Solutions). This consists of 25.0 hours (\$8,250.00 plus HST) claimed for Dr. Richardson and 9.5 hours (\$2,755.00 plus HST) claimed for Ms. Fraser. Anwaatin's cost claim included 15.0 hours for Dr. Richardson's attendance at the oral hearing. Dr. Richardson only testified in the last day of the oral hearing (December 16, 2016) which lasted less than two hours. That is when the issue of the impacts on his client, the Anwaatin First Nations, was discussed. No explanation was provided in the cost claim to justify the claimed 15.0 hours. Therefore, the number of hours allowed for the oral hearing attendance by Dr. Richardson is reduced from 15.0 to 3.0 hours. The claim for Dr. Richardson also included 13.0 hours under the category of Other Conferences – Attendance. This has not been explained in Anwaatin's cost claim given that Dr. Richardson's attendance, to the OEB's knowledge, was limited to the oral hearing. These 13.0 hours are therefore denied. The reduction of 9.5 hours in the claim

for Ms. Fraser is for attendance at the oral hearing which has not been justified given the guidelines provided in Procedural Order No. 1 regarding the attendance of multiple representatives. These reductions bring the total hours for Shared Value Solutions down from 229.0 hours to 194.5 hours. The claim of Anwaatin also requires a minor reduction of \$0.90 due to incorrect parking expenses claimed compared to the parking receipts.

The claim of CME required a reduction of \$7.77 due to incorrect taxi expenses claimed compared to the taxi receipts and taxi tip allowance as per the *Travel, Meal & Hospitality Expenses Directive*.

The claim of ED required a reduction of \$10.75 due to incorrect courier expenses claimed compared to the courier receipts provided.

The OEB finds that the claims of AMPCO, CCC, Energy Probe, LPMA, SEC and VECC and the adjusted claims of BOMA, Anwaatin, CME and ED are reasonable and that each of these claims shall be reimbursed by Hydro One.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Hydro One Networks Inc. shall immediately pay the following amounts to the intervenors for their costs:

• Anwaatin Inc.	\$157,703.04
• Association of Major Power Consumers in Ontario	\$120,490.50
• Building Owners and Managers Association, Greater Toronto	\$161,744.82
• Canadian Manufacturers & Exporters	\$83,242.64
• Consumers Council of Canada	\$74,952.90
• Energy Probe Research Foundation	\$59,015.06
• Environmental Defense Canada Inc.	\$35,536.62
• London Property Management Association	\$31,808.37
• School Energy Coalition	\$125,461.75
• Vulnerable Energy Consumers Coalition	\$94,765.04

2. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Hydro One Networks Inc. shall pay the OEB's costs of, and incidental to, this proceeding immediately upon receipt of the OEB's invoice.

DATED at Toronto January 9, 2018

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary