

ONTARIO ENERGY BOARD

Anwaatin Inc.

**Motion to review and vary the final Decision of the Ontario
Energy Board regarding EB-2016-0160 (Hydro One Networks
Inc's application for electricity transmission revenue
requirement and related changes)**

Submission
of the
Vulnerable Energy Consumers Coalition
(VECC)

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1. VECC partially supports the Anwaatin Inc's motion.
2. All Ontarians should have access to reliable and affordable energy. The evidence provided by Anwaatin Inc indicates that service to Anwaatin First Nations communities, and to northern Ontario First Nations in general, is substantially worse than that provided in southern Ontario and has substantial negative impacts on the lives of persons in those communities.
3. On the strength of this evidence, VECC supports Anwaatin Inc's request that the Final Decision in EB-2016-0160 be reviewed and varied to consider and decide how best to address the reliability issues raised by Anwaatin Inc's application. VECC agrees that the Board should have set out the next steps to address the reliability issues demonstrated by Anwaatin Inc. Reliability is a priority in the objectives of energy regulation set out in s 1 of the *Ontario Energy Board Act*¹ so such serious and well-documented reliability issues should have been addressed in some manner.
4. However, VECC agrees with OEB staff that the record of EB-2016-0160 was not sufficient for a particular amount of Hydro One's capital investment to be set aside to address reliability issues with Anwaatin First Nations communities.² Specifically, there was insufficient evidence regarding the causes of unreliable service, the costs to improve reliability, and the benefits to be anticipated from various levels of investment. VECC supports OEB's staff's proposal to require Hydro One to set out a strategy to address unreliability for First Nations communities, including the above information, for the next transmission revenue requirement case.³
5. Nothing precludes Hydro One from making the appropriate investments in its transmission system that would improve reliability to its customers. In fact, we think it is the Board's expectation that they do precisely that. The Board's decision does not approve the Utility's specific capital budget, but rather it accepts the forecast capital and operating costs for the purpose of ratemaking. Hydro One retains the discretion to deal with issues as they arise.
6. If Hydro One believes that it cannot, in the immediate term, address any specific issue of reliability or safety within the revenues stream of the approved rates it may seek relief from the Board. Utilities have been known to do just this, applying for a deferral account or ICM, in order to accommodate specific capital needs.
7. VECC is concerned that if any extraordinary steps are taken for a specific customer group that the costs be properly allocated to avoid unaffordable rate increases. We note that the *Fair Hydro Act* provides a 100% credit to fully off-set the costs of delivery

¹ 1998, S.O. 1998, c. 15, Sched. B.

² OEB Staff Submission (22 January 2017) at 3.

³ OEB Staff Submission (22 January 2017) at 4.

for band members on reserve.⁴ As noted by the Ontario Energy Board, this program means that any gap between the costs of providing reliably electricity and revenues recovered from customers are funded through taxes.⁵ Unlike revenues gathered through cross-subsidization, the tax burden falls on those best able to afford it. The purpose of s 79.4 of the *Ontario Energy Board Act*⁶ is to avoid unaffordable rates for consumers and the Board should respect that intent by letting the burden of the necessary investments in reliability fall on taxpayers rather than ratepayers.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

⁴ *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, Sched. B.

⁵ *OEB Newsroom, The Fair Hydro Act, 2017* (15 June 2017), online: OEB <<https://www.oeb.ca/newsroom/2017/fair-hydro-act-2017>>.

⁶ 1998, S.O. 1998, c. 15, Sched. B.