



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

DECISION AND ORDER ON COST AWARDS

EB-2015-0040

**Consultation on the Regulatory Treatment of Pension and Other
Post-Employment Benefit Costs**

BEFORE: Cathy Spoel
Presiding Member

Christine Long
Vice Chair and Member

January 29, 2018

INTRODUCTION AND SUMMARY

On May 18, 2017, the Ontario Energy Board (OEB) issued a report on the Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs and invited all registered stakeholders to provide comments on certain implementation matters by June 22, 2017. The OEB issued its finalized Report (the Report) on September 14, 2017.

Background

As in the Report, the core policy of the OEB arising from the Report establishes the use of the accrual accounting method as the default method on which to set rates for pension and OPEB amounts in cost-based applications, unless that method does not result in just and reasonable rates in the circumstances of any given utility. The Report also establishes the use of a variance account to track the difference between the forecast accrual amount in rates and actual cash payments made, with asymmetric carrying charges in favour of ratepayers applied to the differential.

The OEB determined that the costs of this consultation would be recovered under section 30 of the Act from all rate regulated electricity distributors, rate regulated electricity transmitters, rate regulated natural gas distributors, the Independent Electricity System Operator and Ontario Power Generation Inc. The costs are to be apportioned amongst all rate-regulated electricity distributors, rate-regulated electricity transmitters, rate-regulated natural gas distributors, the Independent Electricity System Operator and Ontario Power Generation Inc. in the same manner as under the OEB's Cost Assessment Model.

Per the OEB's letter of June 10, 2015, the following participants are eligible for cost awards (collectively, eligible parties):

- Building Owners and Managers Association, Greater Toronto (BOMA)
- Canadian Manufacturers & Exporters (CME)
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (EP)
- London Property Management Association (LPMA)
- School Energy Coalition (SEC)

The OEB established the process for filing of cost claims and for receiving submissions on cost claims in the cover letter issued with the Report on September 14, 2017.

The OEB received cost claims from CME, CCC, LPMA and SEC. BOMA and EP did not file cost claims. Enbridge Gas Distribution Inc. submitted a letter, but did not object to the cost claims of these intervenors.

OEB Findings

The OEB has reviewed the cost claims filed by CME, CCC, LPMA and SEC to ensure they were compliant with the OEB's *Practice Direction on Cost Awards*.

The OEB has determined that the cost claims submitted by all parties are in accordance with the OEB's Notice dated September 14, 2017.

The OEB finds that each of these Eligible Participants is entitled to 100% of its reasonably incurred costs of participating in this proceeding. The OEB finds that the claims of CME, CCC, LPMA and SEC are reasonable and approves cost awards for the eligible participants as follows:

• Canadian Manufacturers & Exporters	\$10,475.02
• Consumers Council of Canada	\$10,333.85
• London Property Management Association	\$11,336.16
• School Energy Coalition	\$22,374.00

Process for Paying the Cost Awards

The amount payable by each rate regulated electricity distributor, rate regulated electricity transmitter, rate regulated natural gas distributor, the Independent Electricity System Operator and Ontario Power Generation Inc. in relation to costs awarded to each Eligible Participant is listed in Schedule A to this Decision and Order. However, the amounts will not be paid directly by the utility to the participant.

The OEB will use the process set out in section 12 of the *Practice Direction* to implement the payment of the cost awards. Therefore, the OEB will act as a clearing house for all payments of cost awards relating to this consultation process. Invoices will

be issued to rate regulated electricity distributors, rate regulated electricity transmitters, rate regulated natural gas distributors, the Independent Electricity System Operator and Ontario Power Generation Inc. at the same time as the invoices for cost assessments are made under section 26 of the Act. The practice of the OEB is to issue to each rate regulated electricity distributor, rate regulated electricity transmitter, rate regulated natural gas distributor, the Independent Electricity System Operator and Ontario Power Generation Inc. one invoice that covers all cost awards payable by the rate-regulated electricity distributor, rate regulated electricity transmitter, rate regulated natural gas distributor, the Independent Electricity System Operator and Ontario Power Generation Inc. for the relevant period. As a result, the invoice may cover cost awards payable in relation to a number of consultations, including this one.

THE ONTARIO ENERGY BOARD THEREFORE ORDERS THAT:

1. Each rate regulated electricity distributor, rate regulated electricity transmitter, rate regulated natural gas distributor, the Independent Electricity System Operator and Ontario Power Generation Inc. listed in Schedule A to this Decision and Order shall pay the amounts set out in Schedule A in relation to the costs awarded to each Eligible Participant.
2. Each rate regulated electricity distributor, rate regulated electricity transmitter, rate regulated natural gas distributor, the Independent Electricity System Operator and Ontario Power Generation Inc. listed in Schedule A to this Decision and Order shall pay the OEB's costs of, and incidental to, this consultation.
3. The payments referred to in paragraph 1 shall be made to the OEB in accordance with the invoice issued to each rate regulated electricity distributor, rate regulated electricity transmitter, rate regulated natural gas distributor, the Independent Electricity System Operator and Ontario Power Generation Inc., and shall be due at the same time as cost assessments under section 26 of the Act are due.

DATED at Toronto January 29, 2018

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Schedule A

OEB's Decision and Order on Cost Awards

EB-2015-0040

Gas Distributor, Transmitter, Storage Company	Canadian Manufacturers & Exporters	Consumer Council of Canada	London Property Management Association	School Energy Coalition	Total
Enbridge Gas Distribution	\$ 1,520.63	\$ 1,500.13	\$ 1,645.63	\$ 3,247.96	\$ 7,914.35
Union Gas	\$ 1,021.11	\$ 1,007.35	\$ 1,105.06	\$ 2,181.03	\$ 5,314.56
EPCOR Natural Gas Limited Partnership (formerly NRG)	\$ 5.99	\$ 5.91	\$ 6.49	\$ 12.80	\$ 31.20
TOTAL	\$ 2,547.73	\$ 2,513.40	\$ 2,757.18	\$ 5,441.80	\$ 13,260.11

Electricity Transmission System Owner/Operator	Canadian Manufacturers & Exporters	Consumer Council of Canada	London Property Management Association	School Energy Coalition	Total
B2M Limited Partnership	\$ 21.02	\$ 20.73	\$ 22.74	\$ 44.89	\$ 109.38
Canadian Niagara Power Inc.	\$ 1.85	\$ 1.82	\$ 2.00	\$ 3.95	\$ 9.62
Five Nations Energy Inc.	\$ 2.58	\$ 2.55	\$ 2.79	\$ 5.51	\$ 13.43
Hydro One Sault Ste. Marie Inc. on behalf of Hydro One Sault Ste. Marie LP	\$ 15.74	\$ 15.53	\$ 17.04	\$ 33.63	\$ 81.94
Hydro One Networks Inc.	\$ 607.17	\$ 598.99	\$ 657.09	\$ 1,296.88	\$ 3,160.13
TOTAL	\$ 648.36	\$ 639.62	\$ 701.66	\$ 1,384.86	\$ 3,374.50

Electricity Distribution System Owner/Operator	Canadian Manufacturers & Exporters	Consumer Council of Canada	London Property Management Association	School Energy Coalition	Total
Algoma Power Inc.	\$ 14.92	\$ 14.71	\$ 16.14	\$ 31.86	\$ 77.63
Alectra Utilities Corporation	\$ 1,209.15	\$ 1,192.86	\$ 1,308.56	\$ 2,582.68	\$ 6,293.24
Atikokan Hydro Inc.	\$ 2.12	\$ 2.09	\$ 2.30	\$ 4.54	\$ 11.05
Attawapiskat Power Corporation	\$ 0.59	\$ 0.59	\$ 0.64	\$ 1.27	\$ 3.09
Bluewater Power Distribution Corporation	\$ 46.18	\$ 45.56	\$ 49.98	\$ 98.64	\$ 240.36
Brantford Power Inc.	\$ 49.67	\$ 49.00	\$ 53.75	\$ 106.09	\$ 258.51
Burlington Hydro Inc.	\$ 85.18	\$ 84.03	\$ 92.18	\$ 181.94	\$ 443.33
Canadian Niagara Power Inc.	\$ 36.64	\$ 36.14	\$ 39.65	\$ 78.25	\$ 190.68
Centre Wellington Hydro Ltd.	\$ 8.61	\$ 8.50	\$ 9.32	\$ 18.40	\$ 44.83
Chapleau Public Utilities Corporation	\$ 1.58	\$ 1.56	\$ 1.71	\$ 3.38	\$ 8.23
Collus PowerStream Corp.	\$ 21.02	\$ 20.74	\$ 22.75	\$ 44.91	\$ 109.43
Cooperative Hydro Embrun Inc.	\$ 2.56	\$ 2.53	\$ 2.77	\$ 5.47	\$ 13.34
E.L.K. Energy Inc.	\$ 15.18	\$ 14.97	\$ 16.43	\$ 32.42	\$ 79.00
Energy+ Inc.	\$ 80.14	\$ 79.06	\$ 86.72	\$ 171.17	\$ 417.08
Entegrus Powerlines Inc.	\$ 51.83	\$ 51.13	\$ 56.09	\$ 110.70	\$ 269.75
Enwin Utilities Ltd.	\$ 110.84	\$ 109.34	\$ 119.95	\$ 236.74	\$ 576.86
Erie Thames Powerlines Corporation	\$ 23.37	\$ 23.06	\$ 25.29	\$ 49.92	\$ 121.64
Espanola Regional Hydro Distribution Corporation	\$ 4.22	\$ 4.16	\$ 4.56	\$ 9.01	\$ 21.95
Essex Powerlines Corporation	\$ 36.65	\$ 36.16	\$ 39.67	\$ 78.29	\$ 190.76
Festival Hydro Inc.	\$ 26.06	\$ 25.71	\$ 28.20	\$ 55.67	\$ 135.65
Fort Albany Power Corporation	\$ 0.36	\$ 0.36	\$ 0.39	\$ 0.78	\$ 1.89
Fort Frances Power Corporation	\$ 4.76	\$ 4.70	\$ 5.16	\$ 10.18	\$ 24.79
Greater Sudbury Hydro Inc.	\$ 60.36	\$ 59.55	\$ 65.32	\$ 128.92	\$ 314.15
Grimsby Power Incorporated	\$ 13.99	\$ 13.80	\$ 15.14	\$ 29.88	\$ 72.81
Guelph Hydro Electric Systems Inc.	\$ 67.87	\$ 66.96	\$ 73.45	\$ 144.97	\$ 353.25

Electricity Distribution System Owner/Operator	Canadian Manufacturers & Exporters	Consumer Council of Canada	London Property Management Association	School Energy Coalition	Total
Halton Hills Hydro Inc.	\$ 27.72	\$ 27.35	\$ 30.00	\$ 59.21	\$ 144.27
Hydro Hawkesbury Inc.	\$ 7.04	\$ 6.95	\$ 7.62	\$ 15.04	\$ 36.66
Hearst Power Distribution Company Limited	\$ 3.50	\$ 3.45	\$ 3.78	\$ 7.47	\$ 18.20
Hydro 2000 Inc.	\$ 1.56	\$ 1.54	\$ 1.69	\$ 3.34	\$ 8.14
Hydro One Networks Inc.	\$ 1,640.28	\$ 1,618.17	\$ 1,775.12	\$ 3,503.53	\$ 8,537.10
Hydro One Remote Communities Inc.	\$ 4.53	\$ 4.47	\$ 4.90	\$ 9.68	\$ 23.58
Hydro Ottawa Limited	\$ 408.84	\$ 403.33	\$ 442.45	\$ 873.25	\$ 2,127.87
Innpower Corporation	\$ 20.19	\$ 19.91	\$ 21.85	\$ 43.12	\$ 105.06
Kashechewan Power Corporation	\$ 0.46	\$ 0.45	\$ 0.50	\$ 0.98	\$ 2.39
Kenora Hydro Electric Corporation Ltd.	\$ 7.12	\$ 7.02	\$ 7.70	\$ 15.20	\$ 37.04
Kingston Hydro Corporation	\$ 34.94	\$ 34.47	\$ 37.81	\$ 74.63	\$ 181.86
Kitchener-Wilmot Hydro Inc.	\$ 116.71	\$ 115.13	\$ 126.30	\$ 249.28	\$ 607.42
Lakefront Utilities Inc.	\$ 12.78	\$ 12.61	\$ 13.84	\$ 27.31	\$ 66.54
Lakeland Power Distribution Ltd.	\$ 16.99	\$ 16.76	\$ 18.38	\$ 36.29	\$ 88.42
London Hydro Inc.	\$ 195.10	\$ 192.48	\$ 211.14	\$ 416.73	\$ 1,015.46
Midland Power Utility Corporation	\$ 9.02	\$ 8.90	\$ 9.76	\$ 19.26	\$ 46.93
Milton Hydro Distribution Inc.	\$ 44.87	\$ 44.27	\$ 48.56	\$ 95.84	\$ 233.53
Newmarket-Tay Power Distribution Ltd.	\$ 44.65	\$ 44.05	\$ 48.32	\$ 95.37	\$ 232.40
Niagara Peninsula Energy Inc.	\$ 66.47	\$ 65.57	\$ 71.93	\$ 141.97	\$ 345.94
Niagara-on-the-lake Hydro Inc.	\$ 11.24	\$ 11.09	\$ 12.16	\$ 24.01	\$ 58.50
North Bay Hydro Distribution Limited	\$ 30.67	\$ 30.26	\$ 33.19	\$ 65.51	\$ 159.63
Northern Ontario Wires Inc.	\$ 7.76	\$ 7.66	\$ 8.40	\$ 16.58	\$ 40.39
Oakville Hydro Electricity Distribution Inc.	\$ 84.79	\$ 83.65	\$ 91.76	\$ 181.11	\$ 441.32
Orangeville Hydro Limited	\$ 14.95	\$ 14.74	\$ 16.17	\$ 31.92	\$ 77.79

Electricity Distribution System Owner/Operator	Canadian Manufacturers & Exporters	Consumer Council of Canada	London Property Management Association	School Energy Coalition	Total
Orillia Power Distribution Corporation	\$ 17.06	\$ 16.83	\$ 18.46	\$ 36.44	\$ 88.80
Oshawa PUC Networks Inc.	\$ 70.26	\$ 69.31	\$ 76.03	\$ 150.06	\$ 365.66
Ottawa River Power Corporation	\$ 13.83	\$ 13.65	\$ 14.97	\$ 29.55	\$ 72.00
Peterborough Distribution Incorporated	\$ 46.16	\$ 45.54	\$ 49.95	\$ 98.59	\$ 240.24
PUC Distribution Inc.	\$ 42.74	\$ 42.17	\$ 46.26	\$ 91.29	\$ 222.46
Renfrew Hydro Inc.	\$ 5.43	\$ 5.36	\$ 5.88	\$ 11.60	\$ 28.28
Rideau St. Lawrence Distribution Inc.	\$ 7.49	\$ 7.39	\$ 8.11	\$ 16.01	\$ 39.00
St. Thomas Energy Inc.	\$ 21.26	\$ 20.97	\$ 23.01	\$ 45.41	\$ 110.64
Sioux Lookout Hydro Inc.	\$ 3.55	\$ 3.50	\$ 3.84	\$ 7.58	\$ 18.48
Thunder Bay Hydro Electricity Distribution Inc.	\$ 64.51	\$ 63.64	\$ 69.81	\$ 137.79	\$ 335.76
Tillsonburg Hydro Inc.	\$ 8.90	\$ 8.78	\$ 9.63	\$ 19.00	\$ 46.31
Toronto Hydro-Electric System Limited	\$ 954.70	\$ 941.83	\$ 1,033.18	\$ 2,039.17	\$ 4,968.88
Veridian Connections Inc.	\$ 150.25	\$ 148.23	\$ 162.61	\$ 320.93	\$ 782.02
Wasaga Distribution Inc.	\$ 16.63	\$ 16.41	\$ 18.00	\$ 35.52	\$ 86.56
Waterloo North Hydro Inc.	\$ 70.07	\$ 69.13	\$ 75.84	\$ 149.68	\$ 364.72
Welland Hydro-Electric System Corp.	\$ 28.78	\$ 28.39	\$ 31.14	\$ 61.47	\$ 149.78
Wellington North Power Inc.	\$ 4.76	\$ 4.69	\$ 5.15	\$ 10.16	\$ 24.75
West Coast Huron Energy Inc.	\$ 4.85	\$ 4.78	\$ 5.25	\$ 10.36	\$ 25.24
Westario Power Inc.	\$ 29.21	\$ 28.82	\$ 31.61	\$ 62.39	\$ 152.04
Whitby Hydro Electric Corporation	\$ 53.09	\$ 52.38	\$ 57.46	\$ 113.40	\$ 276.33
TOTAL	\$ 6,399.57	\$ 6,313.33	\$ 6,925.68	\$ 13,669.10	\$ 33,307.67

IESO/OPG	Canadian Manufacturers & Exporters	Consumer Council of Canada	London Property Management Association	School Energy Coalition	Total
IESO	\$ 464.28	\$ 458.03	\$ 502.45	\$ 991.68	\$ 2,416.45
OPG	\$ 415.07	\$ 409.48	\$ 449.19	\$ 886.56	\$ 2,160.30
TOTAL	\$ 879.35	\$ 867.50	\$ 951.64	\$ 1,878.25	\$ 4,576.75
GRAND TOTAL	\$ 10,475.02	\$ 10,333.85	\$ 11,336.16	\$ 22,374.00	\$ 54,519.03