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Filed by e-mail and RESS

October 30, 2018

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

Dear Ms. Walli,

**RE: EB-2018-0016: Alectra Utilities Corporation  
2019 Electricity Distribution Rate Application  
Submission of Energy Probe**

The following is a submission of Energy Probe Research Foundation (Energy Probe) as requested by the Board in its Procedural Order No. 2 of the above proceeding.

In the procedural order the Board directed parties, in the event that there was no agreement reached in the settlement conference, to file and serve on other parties by October 31 any submissions on which issues shall be heard in writing, and for which issues the OEB should hold an oral hearing. As indicated by a letter from Alectra to the Board Secretary of October 24, 2018, no settlement agreement had been reached.

In the Notice of Application for this proceeding and repeated in Procedural Order No.2 the Board stated that cost awards would only be available for the following three issues:

1. the balances and disposition of the deferral accounts related to the change in capitalization policy for each of the Brampton and Enersource rate zones
2. the earnings sharing mechanism for the Horizon rate zone, including the effect on it from the change in capitalization policy
3. the increment capital modules for each of the Enersource and PowerStream rate zones

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By this action the Board has effectively set the approved issues list for this case. The three issues are broad ranging and Energy Probe will not attempt to break them up into sub-issues but will comment on them as they were set out by the Board.

Issues No.1 and No.2 deal with the impact in the change in capitalization policy. Although there is some evidence on the record on the impact of the change in capitalization policy, Energy Probe is concerned that the evidence does not address all impacts of the change. As the record now stands, Energy Probe believes that, on the basis of the change in capitalization policy, Issues 1 and 2 should be dealt with in oral hearing. Moreover, Energy Probe is concerned that the evidence on earnings sharing for the Horizon rate zone that Issue No.2 addresses, is not adequate for the Board to make a fair decision. That is another reason why, as the evidence now stands, the issue should go to oral hearing.

Regarding Issue No.3, Energy Probe believes, that the evidence on the record in this case, does not fully meet section 3.3.1.1 ICM Filing Guidelines of the Filing Requirements for Electricity Distribution Rate Applications. Energy Probe is also concerned that cost sharing transactions between Alectra and the York Region Rapid Transit were not at arm's length since both parties are owned by the same shareholders. From the evidence on the record it seems that Alectra did not sufficiently protect the interests of its ratepayers. Energy Probe believes that transactions between Alectra and YRRT should be subject to the Affiliate Relationships code. For all of these reasons Energy Probe suggests that Issue No.3 would best be dealt with in an oral hearing.

Respectfully submitted on behalf of Energy Probe.

*Original signed by*

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Consultant to Energy Probe

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