



EB-2017-0049

Hydro One Networks Inc.

**Application for electricity distribution rates beginning
January 1, 2018 until December 31, 2022**

PROCEDURAL ORDER NO. 12

November 15, 2018

Hydro One Networks Inc. (Hydro One) filed a 5-year Custom Incentive Rate-setting application with the Ontario Energy Board (OEB) on March 31, 2017 under section 78 of the *Ontario Energy Board Act, 1998*,¹ seeking approval for changes to its distribution rates, to be effective January 1, 2018 to December 31, 2022.

On May 18, 2018, the OEB issued its Decision on Confidentiality and Procedural Order No. 6 in this proceeding, which provided for submissions by Hydro One, Rogers Communications Canada Inc. (Rogers) and other parties on how the OEB might move forward on the matter of pole attachments in light of the March 22, 2018 issuance of the *Report of the Ontario Energy Board – Wireline Pole Attachment Charges* (the Pole Attachment Report).

Hydro One's submission, filed on May 28, 2018 included updated evidence on its proposed custom pole attachment charge. Hydro One stated that its updated calculation of the 2018 charge was based on the application of the OEB's methodology set out in the Pole Attachment Report.

¹ S.O. 1998, c. 15, (Schedule B)

On September 4, 2018, after a number of other procedural steps, which included supplementary interrogatories on Hydro One's updated evidence, Rogers filed a motion (the motion) which requested the following two items of relief:

- An Order that Hydro One serve and file full and complete responses to the interrogatories listed in Rogers' Notice of Motion, which Rogers asserted Hydro One had refused to answer in the August 23, 2018 responses to interrogatories.
- An Order that, following the hearing of and decision on the motion, and the provision of any supplementary responses provided by Hydro One pursuant to that decision, a technical conference be held with respect to any matters arising from the interrogatories and all of Hydro One's responses, on a date to be set by the OEB.

On September 26, 2018, the OEB, in Notice of Motion Hearing and Procedural Order No. 9, determined that it would hear the motion by way of an oral hearing, which was held on October 18, 2018.

On October 26, 2018, the OEB issued Decision and Procedural Order No. 11 arising from the oral hearing. Among other things, the OEB found that the Power Deduction Factor and the Maintenance Cost Allocation to Third Parties must be based on Hydro One-specific costs when it is seeking approval for a custom pole attachment charge.

Given this determination, the OEB provided Hydro One with the opportunity to reassess whether it would proceed with a local distribution company (LDC)-specific calculation. The OEB would then make its determination on whether responses would be required to the interrogatories identified by Rogers in the motion. The OEB further noted that if Hydro One accepted the province-wide rate, the motion would become moot and no further responses to the interrogatories in question would be required.

On November 2, 2018, Hydro One filed a letter with the OEB stating that after having reviewed Decision and Procedural Order No. 11, it had elected to apply for the OEB's province-wide pole attachment charge of \$43.63. Hydro One noted that it is currently charging an OEB approved LDC-specific rate of \$41.28 as part of its 2018 interim rates. Hydro One further stated that it proposed to adopt the \$43.63 rate effective January 1, 2019 and further proposed to update its external revenue forecasts when it files its draft rate order.

The OEB has reviewed Hydro One's proposal and considers it to be in accordance with Decision and Procedural Order No. 11. The OEB has determined that as Hydro One has accepted the province-wide rate, the motion is no longer relevant and no further responses to the interrogatories in question are required, nor are any further procedural steps related to this matter.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Hydro One has accepted the province-wide pole attachment charge; therefore, no further responses to the interrogatories or additional procedural steps requested in the Rogers motion are required.
2. The hearing for the Rogers motion is concluded.

DATED at Toronto, November 15, 2018

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary