



EB-2018-0130

Hydro One Networks Inc.

**Application for electricity transmission revenue
requirement effective January 1, 2019**

PROCEDURAL ORDER NO. 1

January 24, 2019

Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (OEB) on October 26, 2018 under section 78 of the *Ontario Energy Board Act, 1998* (OEB Act)¹, and under the OEB's *Filing Requirements for Electricity Transmission Applications*. Hydro One is seeking approval for changes to its electricity transmission revenue requirement to be effective January 1, 2019.

The OEB issued a Notice of Hearing on December 7, 2018. Each of Anwaatin Inc. (Anwaatin), Association of Major Power Consumers in Ontario (AMPCO), Building Owners and Managers Association, Greater Toronto (BOMA), Consumers Council of Canada (CCC), Environmental Defence Canada Inc. (ED), Energy Probe Research Foundation (Energy Probe), HQ Energy Marketing Inc. (HQEM), Independent Electricity System Operator (IESO), London Property Management Association (LPMA), Ontario Power Generation Inc. (OPG), Power Workers' Union (PWU), School Energy Coalition (SEC), and Vulnerable Energy Consumers Coalition (VECC) applied for intervenor status.

Each of Anwaatin, AMPCO, BOMA, CCC, ED, Energy Probe, LPMA, SEC, and VECC also applied for cost eligibility.

Anwaatin, AMPCO, BOMA, CCC, Energy Probe, HQEM, IESO, LPMA, OPG, PWU, SEC, and VECC are approved as intervenors. The list of parties in this proceeding is attached as Schedule A to this Procedural Order.

¹ S.O. 1998, c. 15, (Schedule B)

ED is not approved as an intervenor at this time for the reasons discussed below.

Anwaatin, AMPCO, BOMA, CCC, Energy Probe, LPMA, SEC, and VECC are each eligible to apply for an award of costs under the OEB's *Practice Direction on Cost Awards*.

Cost eligible intervenors should be aware that the OEB will not generally allow the recovery of costs for the attendance of more than one representative of any party, unless a compelling reason is provided when cost claims are filed.

Revenue Cap Index (RCI) and Benchmarking Study

Hydro One has proposed an RCI approach to determine its 2019 transmission revenue requirement. The OEB acknowledges that Hydro One has proposed that the OEB adopt the RCI and associated parameters that were proposed and are being considered in the proceeding arising out of Hydro One Sault St. Marie LP's (Hydro One SSM) application for approval of its 2019 revenue requirement.² The OEB will not further test the benchmarking and total factor productivity evidence filed in the Hydro One SSM proceeding in this current Hydro One transmission proceeding.

Hydro One has proposed that the rate setting parameters (inflation and productivity factors) be approved on a preliminary basis based on the proposed parameters for the Hydro One SSM proceeding, with a variance account to true up to the parameters approved for Hydro One SSM. As part of final submissions, the OEB would like parties to address the following:

- Is it appropriate to use the rate setting parameters proposed for Hydro One SSM on a preliminary basis, or should another approach be adopted?
- What should be the nature of the proposed variance account? Should it true up to the approved parameters for Hydro One SSM, true up to parameters determined in Hydro One's Custom IR proceeding or some other option?
- What additional evidence should Hydro One be required to file in its next Custom IR application with respect to the RCI parameters?

Issue raised by ED

In its intervenor status request, ED raised a question of whether Hydro One should comply with the directions from the OEB's decision in EB-2016-0160 in the current

² EB-2018-0218

application, including the direction to explore cost effective opportunities for transmission line loss reductions. Hydro One responded to ED's request and stated that based on the mechanistic nature of the current application (i.e. an RCI adjustment to determine its 2019 transmission revenue requirement), it did not intend to address prior OEB directions.³ Hydro One indicated that it also considered the relevance of the OEB's direction on line losses to the current application and determined that this direction would have no impact on the requested RCI adjustment. Hydro One stated that addressing prior directions in its planned 2020-2022 Custom IR application would be consistent with the OEB's filing requirements and Handbook for Utility Rate Applications. In its reply to Hydro One's letter, ED reiterated that it is important to ensure Hydro One's work related to transmission line losses reductions is on track and this issue should be examined in this proceeding.⁴

The OEB directs Hydro One to provide an update on the status of its work which was ordered by the OEB in the EB-2016-0160 proceeding regarding opportunities for reducing transmission line losses. This status update is for information purposes only to inform the OEB that progress is being made, but will not be adjudicated as part of this proceeding as it has no impact on the requested RCI adjustment.

The OEB's expectation is that the work ordered by the OEB in the EB-2016-0160 proceeding will be substantially advanced and reported as part of Hydro One's next rebasing application. If Hydro One does not file a rebasing application for 2020, the OEB may consider the appropriate timing and process for examining Hydro One's progress on this subject. Based on that, ED is requested to inform the OEB whether it still seeks intervenor status in this proceeding and, if so, what the scope of its intervention would be.

It is necessary to make provision for the following matters related to this proceeding. The OEB may issue further procedural orders from time to time.

IT IS THEREFORE ORDERED THAT:

1. ED shall inform the OEB and serve on all parties whether it still seeks intervenor status in this proceeding and, if so, what the scope of its intervention would be by **January 29, 2019.**

³ Hydro One Responses to Environmental Defence Intervenor Status Request, January 3, 2019.

⁴ Environmental Defence, letter dated January 7, 2019.

2. Hydro One shall file with the OEB and serve on all parties an update on the status of its work regarding transmission line loss reduction by **February 28, 2019**.
3. OEB staff and intervenors shall request any information and material from Hydro One that is in addition to Hydro One's evidence and that is relevant to the hearing by written interrogatories filed with the OEB and served on all parties by **February 7, 2019**.
4. Hydro One shall file with the OEB complete written responses to the interrogatories and serve them on all parties by **February 28, 2019**.
5. OEB staff and intervenors shall file written submissions with the OEB and serve it on all parties by **March 14, 2019**.
6. Hydro One shall file with the OEB its reply submission and serve them on all parties by **March 28, 2019**.

All filings to the OEB must quote the file number, EB-2018-0130 and be made electronically in searchable/unrestricted PDF format through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.oeb.ca/Industry>. If the web portal is not available parties may email their documents to the address below.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Shuo Zhang at Shuo.Zhang@oeb.ca and OEB Counsel, James Sidlofsky, at james.sidlofsky@oeb.ca.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, **January 24, 2019**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Schedule A

To

Procedural Order No. 1

Hydro One Networks Inc.

EB-2018-0130

Applicant and List of Intervenors

January 24, 2019

**Hydro One Networks Inc.
EB-2018-0130**

APPLICANT & LIST OF INTERVENORS

January 24, 2019

APPLICANT

Rep. and Address for Service

Hydro One Networks Inc.

Linda Gibbons

Senior Regulatory Coordinator
Hydro One Networks Inc.
483 Bay Street
8th Floor - South Tower
Toronto, ON M5G 2P5

Tel: 416-345-4373
Fax: 416-345-5866
regulatory@hydroone.com

APPLICANT COUNSEL

Charles Keizer

Torys LLP

Suite 3000, Maritime Life Tower
79 Wellington St. W., 30th Fl.
P.O. Box 270, Toronto Dominion Centre
Toronto ON M5K 1N2

Tel: 416-865-7512
Fax: 416-865-7380
ckeizer@torys.com

INTERVENORS

Rep. and Address for Service

Anwaatin Inc.

Larry Sault

Chief Executive Officer
Anwaatin Inc.

3034 Mississauga
RR #6
Hagersville ON N0A 1H0

Tel: 905-768-1133
Fax: 226-314-1200
larry@anwaatin.com

**Hydro One Networks Inc.
EB-2018-0130**

APPLICANT & LIST OF INTERVENORS

January 24, 2019

Anwaatin Inc.

Don Richardson

Managing Partner
Shared Value Solutions Ltd.
62 Baker Street
Guelph ON N1H 4G1
Tel: 226-706-8888 Ext: 101
Fax: 226-314-1200
Don.Richardson@sharedvaluesolutions.com

Elisabeth DeMarco

Counsel
DeMarco Allan LLP
Bay Adelaide Centre
333 Bay Street, Suite 625
Toronto ON M5H 2R2
Tel: 647-991-1190
Fax: 888-734-9459
Lisa@demarcoallan.com

Jonathan McGillivray

DeMarco Allan LLP
Bay Adelaide Centre
333 Bay Street, Suite 625
Toronto ON M5H 2R2
Tel: 647-208-2677
Fax: 888-734-9459
jonathan@demarcoallan.com

**Association of Major Power
Consumers in Ontario**

Shelley Grice

Consultant
Consultant
34 King Street East
Suite 630
Toronto ON M5C 2X8
Tel: 647-880-9942
Fax: 416-348-0641
shelley.grice@rogers.com

**Hydro One Networks Inc.
EB-2018-0130**

APPLICANT & LIST OF INTERVENORS

January 24, 2019

**Building Owners and
Managers Association
Toronto**

Thomas Brett

Partner
Fogler, Rubinoff LLP
77 King Street West
Suite 3000
Toronto ON M5K 1G8
Tel: 416-941-8861
Fax: 416-941-8852
tbrett@foglers.com

Marion Fraser

President
Fraser & Company
65 Harbour Square, Suite 1005
Toronto ON M5J 2L4
Tel: 416-941-9729
Fax: 416-941-9729
Marion.Fraser@rogers.com

**Consumers Council of
Canada**

Julie Girvan

Consultant
Consumers Council of Canada
62 Hillside Ave. East
Toronto ON M4S 1T5
Tel: 416-322-7936
Fax: 416-322-9703
jgirvan@uniserve.com

**Hydro One Networks Inc.
EB-2018-0130**

APPLICANT & LIST OF INTERVENORS

January 24, 2019

**Energy Probe Research
Foundation**

Tom Ladanyi

TL Energy Regulatory Consultants Inc.
41 Divadale Drive
Toronto ON M4G 2N7
Tel: 416-423-3685
Fax: Not Provided
tom.ladanyi@rogers.com

Roger Higgin

Sustainable Planning Associates Inc.
15 Malabar Place
Toronto ON M5B 1A4
Tel: 416-391-0738
Fax: Not Provided
spainc@rogers.com

Lawrence Schwartz

Consulting Economist
82 Ridge Hill Drive
Toronto ON M6C 2J8
Tel: 416-785-4985
Fax: Not Provided
lschwartz5205@rogers.com

Hydro Quebec

Hélène Cossette

Legal Counsel
HQ Energy Marketing Inc.
75, West Rene-levesque Boulevard
4 th Floor
Montreal QC H2Z 1A4
Tel: 514-289-3146
Fax: 514-289-6217
Cossette.helene@hydro.qc.ca

**Hydro One Networks Inc.
EB-2018-0130**

APPLICANT & LIST OF INTERVENORS

January 24, 2019

Hydro Quebec

Frédéric Bélanger

Manager, Regulatory Affairs
HQ Energy Marketing Inc.
75, West René-Lévesque Boulevard
17th floor
Montréal QC H2Z 1A4
Tel: 514-289-7322
Fax: Not Provided
Belanger.frederic.2@hydro.qc.ca

**Independent Electricity
System Operator**

Stephanie Aldersley

Senior Regulatory Advisor
Independent Electricity System Operator
120 Adelaide St. W.
Suite 1600
Toronto ON M5H 1T1
Tel: 416-969-6407
Fax: 416-506-2843
regulatoryaffairs@ieso.ca

**London Property
Management Association**

Randy Aiken

Aiken & Associates
578 McNaughton Ave. W.
Chatham ON N7L 4J6
Tel: 519-351-8624
Fax: 519-351-4331
randy.aiken@sympatico.ca

**Hydro One Networks Inc.
EB-2018-0130**

APPLICANT & LIST OF INTERVENORS

January 24, 2019

**Ontario Power Generation
Inc.**

Karen Cooke

Manager
Ontario Power Generation Inc.
700 University Avenue
Toronto ON M5G 1X6
Tel: 416-592-5419
Fax: 416-592-8519
opgregaffairs@opg.com

Mel Hogg

Counsel
Ontario Power Generation Inc.
700 University Ave.
H18 E27
Toronto ON M5G 1X6
Tel: 16-592-4463
Fax: 16-592-1466
mel.hogg@opg.com

Power Workers' Union

Kim McKenzie

Consultant
Elenchus Research Associates Inc.
34 King Street East
Suite 600
Toronto ON M5C 2X8
Tel: 416-640-1894
Fax: 416-348-9930
kmckenzie@elenchus.ca

Hydro One Networks Inc.
EB-2018-0130

APPLICANT & LIST OF INTERVENORS

January 24, 2019

Power Workers' Union

Bayu Kidane

Senior Consultant
Elenchus Research Associates Inc.
34 King Street East
Suite 600
Toronto ON M5C 2X8
Tel: 416-348-8777
Fax: 416-348-9930
bkidane@elenchus.ca

Richard Stephenson

Counsel
Paliare Roland
155 Wellingtons Street West
35th Floor
Toronto ON M5V 3H1
Tel: 416-646-4325
Fax: 416-656-4335
richard.stephenson@paliareroland.com

Paul Reece

Chief of Staff
Power Workers' Union
244 Eglinton Avenue E.
Toronto ON M4P 1K2
Tel: 416-322-2441
Fax: 416-322-2471
preece@pwu.ca

**Hydro One Networks Inc.
EB-2018-0130**

APPLICANT & LIST OF INTERVENORS

January 24, 2019

School Energy Coalition

Wayne McNally

SEC Coordinator
Ontario Public School Boards' Association
439 University Avenue
18th Floor
Toronto ON M5G 1Y8
Tel: 416-340-2540
Fax: 416-340-7571
wmcnally@opsba.org

Mark Rubenstein

Counsel
Shepherd Rubenstein Professional Corporation
2200 Yonge St.
Suite 1302
Toronto ON M4S 2C6
Tel: 647-483-0113
Fax: 416-483-3305
mark@shepherdrubenstein.com

Jay Shepherd

Counsel
Shepherd Rubenstein Professional Corporation
2200 Yonge St.
Suite 1302
Toronto ON M4S 2C6
Tel: 416-804-2767
Fax: 416-483-3305
jay@shepherdrubenstein.com

**Vulnerable Energy
Consumers Coalition**

Bill Harper

Vulnerable Energy Consumers Coalition
107 Baker Ave.
Richmond Hill On L4C 1X5
Tel: 416-348 0193
Fax: Not Provided
bharper.consultant@bell.net

Hydro One Networks Inc.
EB-2018-0130

APPLICANT & LIST OF INTERVENORS

January 24, 2019

**Vulnerable Energy
Consumers Coalition**

Mark Garner

Consultant
Consultant
2200 Yonge St.
Suite 1302
Toronto ON M4S 2C6
Tel: 647-408-4501
Fax: Not Provided
markgarner@rogers.com

John Lawford

Counsel
Vulnerable Energy Consumers Coalition
c/o Public Interest Advocacy Centre (PIA)
285 McLeod Street, Suite 200
Ottawa ON K2P 1A1
Tel: 613-562-4002 Ext: 25
Fax: Not Provided
lawford@piac.ca