

Hydro One Networks Inc.

**Application for electricity transmission rates for the
period from January 1, 2020 to December 31, 2022**

**DECISION ON THE FILING OF EXPERT EVIDENCE
July 19, 2019**

Hydro One Networks Inc. (Hydro One Networks) filed a custom incentive rate-setting application with the Ontario Energy Board (OEB) on March 21, 2019 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Hydro One Networks charges for electricity transmission, to be effective January 1, 2020 and for each following year through to December 31, 2022.

On May 30, 2019, the OEB issued its Procedural Order No. 1 in which, among other matters, parties were asked to inform the OEB if they intended to file expert evidence.

By letter, dated July 9, 2019, OEB staff advised of its intent to file expert evidence in this proceeding. OEB staff noted that it had retained Pacific Economics Group Research LLC (PEG) to provide expert evidence on total cost performance and total factor productivity for Hydro One Networks transmission and that of a comparator sample of U.S. electricity transmitters.¹ This would include a review of the evidence prepared by Power Systems Engineering Inc. (PSE) for Hydro One Networks.

By letter, dated July 17, 2019, Anwaatin Inc. (Anwaatin) advised that it wished to reserve the right to file evidence and would make a final determination as to whether or not it would file such evidence at a later date. Anwaatin stated that any such evidence would be direct written evidence provided by its consultant, Dr. Don Richardson, Ph.D., of Shared Value Solutions Ltd., in order to primarily address the following issues:

- (i) transmission system reliability in Indigenous and northern communities and customer reliability experiences;

¹ EB-2019-0082, OEB Staff Letter – Intention to File Expert Evidence, July 9, 2019, p. 1.

- (ii) the impact of Hydro One's transmission reliability performance on Indigenous customers and communities;
- (iii) the status of and progress toward the pilot project Hydro One is developing to implement a Battery Energy Storage System (BESS) to supply Aroland First Nation;
- (iv) the progress toward the OEB's direction to Hydro One to explicitly identify initiatives to address the unique reliability challenges experienced in northern communities, including economically justified distributed energy resource solutions; and
- (v) Hydro One's past, current and potential process and measures to consult with Indigenous rights holders in order to discharge:
 - a. the direct and/or delegated duty to consult and accommodate First Nation communities; and
 - b. its customer obligations in the *Filing Requirements for Electricity Transmission Rate Applications*, dated February 11, 2016 (including section 2.3.2 thereof).

Decision on the Filing of Expert Evidence

The OEB finds that the proposed expert evidence to be filed by OEB staff (the PEG evidence) is relevant to this proceeding and approves its filing.

The OEB also approves the filing of evidence as proposed by Anwaatin if it determines that it will do so as it finds that such evidence is relevant to this proceeding. The OEB notes that for the Hydro One Distribution proceeding,² the OEB approved the filing of evidence by Dr. Richardson as a consultant, not as an expert. The proposed evidence in this case is similar and accordingly, the OEB's approval of evidence by Anwaatin is on the same basis.

² EB-2017-0049.

As set out in Procedural Order No. 1, this evidence is to be filed by August 22, 2019.

DATED at Toronto, **July 19, 2019**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary