

October 11, 2019

Christine Long
Registrar
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Long:

RE: EB-2019-0059 – Oakville Hydro Electricity Distribution Inc. – 2020 Rates - ICM Request – Notice of Motion Submissions

We are representing the Consumers Council of Canada (“Council”) in the above-referenced Application by Oakville Hydro Electricity Distribution Inc. (“Oakville Hydro”). On September 23, 2019, The School Energy Coalition (“SEC”), the Association of Major Power Consumers in Ontario (“AMPCO”), Energy Probe (“EP”), the Vulnerable Energy Consumers Coalition (“VECC”) and the Council filed a motion with the Ontario Energy Board (“OEB”) seeking the following:

1. An order of the OEB amending Procedural Order #1:
 - a. Bifurcating this proceeding between consideration of the ICM funding request and consideration of all other aspects of the Application: and
 - b. Seeking submissions from the parties, including the Moving Parties, with respect to a threshold question of whether it is appropriate for the Applicant, in its second rebasing deferral year, and without prior disclosure to the Board of its intention to seek ICM funding, to apply for ICM funding in this IRM Application.

The OEB, in its Procedural order No. 2, dated September 27, 2019, determined that it would consider the IRM elements of the Application separate from the request for ICM funding. The OEB requested submissions from parties as to whether it is appropriate for Oakville Hydro to apply for ICM funding as part of its 2020 Application.

The Council submits that the OEB should reject Oakville Hydro’s request for ICM funding for the following reasons:

- On January 16, 2019, the Applicant wrote to the OEB requesting for a second time to defer its cost of service rebasing. There was not mention of the need for ICM funding despite the fact that Oakville Hydro would have known about the need to undertake the projects. In fact, the Applicant noted its acceptable ROE levels and good reliability levels as the basis for its request. The OEB approved that request. Had the OEB known that the ICM request was going to form part of the Application, the deferral may not have been granted, as the Applicant had not been subject to a cost of service rebasing since 2014.

- The Applicant has not filed a Distribution System Plan, which the OEB normally requires to assess ICM requests by utilities. In addition, the OEB has no current cost of service information. The OEB would therefore not have an ability to determine if the request is truly incremental.
- Oakville Hydro has indicated that the projects are in large measure complete and expected to be completed by December 31, 2019. If that is the case, then the OEB would normally consider the prudence of these projects and their costs when Oakville Hydro rebases. The OEB should not consider 2019 projects and the need for ICM funding in an Application for 2020 rates.
- Oakville Hydro has stated that in the event that the OEB does not approve its ICM Application, Oakville Hydro would need to consider significant reductions in its planned and paced investments in system service and system renewal projects in its 2020 capital plan. The Applicant has provided no evidence to support this assertion. Only in the context of a full cost of service review, coupled with the filing of a DSP, could the OEB assess this claim.

Yours truly,

Julie E. Girvan

Julie E. Girvan

CC: Oakville Hydro
All parties