

Alectra Utilities Corporation

**Application for electricity distribution rates and other
charges effective January 1, 2020**

**PROCEDURAL ORDER NO. 4
October 17, 2019**

Alectra Utilities Corporation (Alectra Utilities) filed an incentive rate-setting mechanism (IRM) application with the Ontario Energy Board (OEB) on May 28, 2019 under section 78 of the *Ontario Energy Board Act, 1998* seeking approval for changes to its electricity distribution rates to be effective January 1, 2020. Alectra Utilities' application also included a proposal for additional capital funding (M-Factor) and a request to reverse the outcome of a prior OEB decision on capitalization policy.

Capitalization Policy Related Issues

The OEB issued Procedural Order No. 1 (PO 1) on July 9, 2019. PO 1 established the timetable for three separate streams of the application, namely the IRM, M-Factor, and capitalization policy. With respect to the capitalization policy stream, in PO 1, the OEB invited submissions from the intervenors and OEB staff on two preliminary questions related to Alectra Utilities' capitalization policy related request. After reviewing the submissions on the two preliminary questions, in its Decision and Order issued on September 5, 2019, the OEB found that Alectra Utilities' request to reverse the outcome of OEB's previous decision to create the capitalization deferral accounts can be characterized as a motion to vary that decision. The OEB also found that Alectra Utilities' request does not meet the threshold test for such a motion. In the same Decision and Order, the OEB established a timeline for Alectra Utilities' additional evidence, intervenors' and OEB staff's interrogatories, and Alectra Utilities' responses to interrogatories on the capitalization policy related issues.

Alectra Utilities filed its responses to intervenors' and OEB staff's interrogatories with the OEB on October 7, 2019. Having reviewed interrogatory responses, the OEB is of

the view that additional clarification and evidence is required from Alectra Utilities with respect to certain subject areas.

At this time, the OEB is making provisions for supplementary interrogatories, as well as submissions on the capitalization policy related issues in Alectra Utilities' 2020 rate application. The supplementary interrogatories are limited to the following subject areas:

- The calculations for the capitalization policy deferral accounts using the Account 1576 methodology
- Identification and quantification of merger-related costs and savings, and how Alectra Utilities applies those costs and savings to the Horizon rate zone Earnings Sharing Mechanism (ESM) and Capital Investment Variance Account (CIVA)

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. OEB staff and intervenors who wish to request any supplementary information and documentation from Alectra Utilities on the subject areas noted above shall file the written supplementary interrogatories with the OEB and serve on all parties by **October 24, 2019**.
2. Alectra Utilities shall file complete written responses to the supplementary interrogatories with the OEB and serve them on all parties **October 31, 2019**.
3. Intervenors and OEB staff shall file any written submissions, in relation to the different options for calculation and disposition of the capitalization policy deferral accounts, as well as issues related to the Horizon rate zone ESM and CIVA, with the OEB and serve them on all parties by **November 14, 2019**.
4. Alectra Utilities shall file any written reply submissions, in relation to the different options for calculation and disposition of the capitalization policy deferral accounts, as well as issues related to the Horizon rate zone ESM and CIVA, with the OEB and serve them on all parties by **November 28, 2019**.

All filings to the OEB must quote the file number, EB-2019-0018, be made in searchable / unrestricted PDF format electronically 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. Those who do not have internet access are required to submit all filings on a USB memory stick in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

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, Katherine Wang at katherine.wang@oeb.ca and OEB Counsel, Lawren Murray at lawren.murray@oeb.ca.

ADDRESS

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DATED at Toronto, October 17, 2019

ONTARIO ENERGY BOARD

Original signed by

Christine E. Long
Registrar and Board Secretary