



**EB-2007-0747**  
**EB-2007-0748**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B);

**AND IN THE MATTER OF** applications by electricity distribution companies for approval of a smart meter rate adder;

**AND IN THE MATTER OF** a combined proceeding initiated by the Ontario Energy Board pursuant to sections 19(4), 21(1), 21(5) and 78(3.03) of the *Ontario Energy Board Act, 1998* to determine issues related to the recovery of costs incurred by distributors and associated with authorized discretionary metering activities;

**AND IN THE MATTER OF** motions by Toronto Hydro-Electric System Limited ("THESL") and by Hydro Ottawa Limited ("Hydro Ottawa") requesting the Board to review and vary certain aspects of Decision and Order in EB-2007-0063 dated August 8, 2007.

**BEFORE:**

Gordon Kaiser  
Vice Chair, Presiding Member

Ken Quesnelle  
Member

Cathy Spoel  
Member

## **DECISION AND ORDER ON COST AWARDS**

In January and February of 2007, twelve licensed distributors authorized to conduct discretionary metering activities filed applications pursuant to section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B) for the approval of distribution

rates, which applications included a smart metering rate adder to be effective as of May 1, 2007.

These distributors are Chatham-Kent Hydro Inc., Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, Hydro One Brampton Networks Inc., Hydro One Networks Inc., Hydro Ottawa, Middlesex Power Distribution Corporation, Milton Hydro Distribution Inc., PowerStream Inc., Tay Hydro Electric Distribution Co. Inc., THESL, and Veridian Connections Inc.

On March 26, 2007, the Board received an application from THESL pursuant to section 78 of the Act for rate adjustments related to smart metering activities and Conservation and Demand Management activities. The Board determined it would consider the adjustments related to smart metering activities in the Combined Proceeding.

On May 2, 2007, the Board issued a further Notice of a Combined Proceeding pursuant to sections 19, 21 and 78 of the Act to determine the prudence and recovery of costs associated with smart metering activities for the twelve licensed distributors referred to above, and a thirteenth licensed distributor, Newmarket Hydro Limited, that has been authorized by regulation to conduct discretionary metering activities. These thirteen licensed distributors were deemed to be applicants in the Combined Proceeding to which the Board assigned file number EB-2007-0063.

The combined hearing commenced on June 15, 2007 and ended on July 12, 2007. A determination was made by the Board at the outset of that hearing that the hearing would be held *in camera*. Only parties that signed the Board's form of Declaration and Undertaking were permitted to participate in the hearing and access the evidence, transcripts and exhibits.

The Board issued its Decision in this matter on August 8, 2007, approving, with minor exceptions, the costs claimed by the utilities with respect to smart metering activities. The Decision contained two appendices, one of which was confidential, and one of which was not confidential. The non-confidential appendix aggregated the costs, while the confidential appendix itemized all the costs.

The Board received two applications, one from THESL and the other from Hydro Ottawa (together, the "applicants"), to vary the Board's Decision. The Board assigned file numbers EB-2007-0747 and EB-2007-0748, respectively, to these applications. On

September 13, 2007, the Board issued Procedural Order No. 1 in which it ordered that the motions would be combined and heard *in camera* with participation restricted to parties that signed the Declaration and Undertaking in the EB-2007-0063 Combined Proceeding. The Board determined that it may order costs in the proceeding, and ordered that the applicants would pay any cost awards.

The Board further determined that any party eligible for costs in the EB-2007-0063 Combined Proceeding would be eligible for costs in the motions proceeding. The Board ordered that it would hear submissions with respect to eligibility for costs from any other party expecting to seek costs at the commencement of the hearing on Tuesday, September 18, 2007. No other parties made submissions.

The Board determined that the following parties were eligible to apply for an award of costs under its Practice Direction on Cost Awards: Consumers Council of Canada; Energy Probe; School Energy Coalition (“SEC”); Vulnerable Energy Consumers Coalition (“VECC”); and Mr. Harvey Houle (altogether, the “eligible parties”).

On April 18, 2008, the Board issued details with respect to the filing of cost claims. Eligible parties were directed to file cost claims with the Board and serve a copy on the applicants by April 25, 2008. Applicants were provided until May 9, 2008 to object to any aspect of the costs claimed.

SEC and VECC filed cost claims with the Board and served them on the applicants. No objections to the cost claims were received by the Board.

The Board has reviewed the cost claims and finds that the costs claimed by SEC and VECC are in accordance with the Board’s Practice Direction on Cost Awards. The Board therefore finds that SEC and VECC are entitled to one hundred percent (100%) of their claimed costs.

THESL and Hydro Ottawa will each be responsible for fifty percent of the costs of this proceeding.

**THE BOARD ORDERS THAT:**

1. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, THESL shall immediately pay the following amounts to the following eligible parties:

SEC	\$635.63
VECC	\$413.07

2. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Hydro Ottawa shall immediately pay the following amounts to the following eligible parties:

SEC	\$635.62
VECC	\$413.08

3. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, the applicants shall pay the Board's costs of, and incidental to, this proceeding immediately upon receipt of the Board's invoice.

**DATED** at Toronto, June 18, 2008

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary