



**Canadian Niagara Power Inc.**

**Application for electricity distribution rates and other  
charges beginning January 1, 2022**

**DECISION ON ISSUES LIST AND CONFIDENTIALITY**

**August 27, 2021**

Canadian Niagara Power Inc. (Canadian Niagara Power) filed a cost of service application with the Ontario Energy Board (OEB) on June 30, 2021, 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 Canadian Niagara Power charges for electricity distribution, beginning January 1, 2022.

Procedural Order No. 1, issued on August 13, 2021, made provision for, among other matters, the filing of a proposed issues list. Parties to the proceeding reached a consensus on the issues, and OEB staff filed a proposed issues list on August 18, 2021. OEB staff noted in its cover letter that parties requested that the OEB waive the requirement under Rule 26.02 (e)(ii) of the Rules of Practice and Procedure of having interrogatories correspond to the issue number and instead refer to the exhibit number in the application, as parties believe this is a more efficient and likely less costly approach.

OEB staff also advised that parties may wish to propose additional matters for inclusion on the Issues List after the interrogatory responses are received.

**Confidentiality - Request to File Redacted Documents**

On July 15, 2021, CNPI provided additional information in support of its application which included information related to pension and other post-employment benefits and stated that it would file a confidentiality request for this information in due course.

On July 29, 2021, Canadian Niagara Power filed a letter requesting that the OEB accept the redacted versions of certain documents without requiring the filing of an unredacted version on a confidential basis. Redactions were made to certain portions of the following documents:

1. Part II of the CPA Canada Handbook Actuarial Valuation Report as at December 31, 2018, Non-Pension Post Retirement Benefit Plans, FortisOntario Inc. January 24, 2019 (HAV Report)
2. Fortis Ontario Inc. 2017- 2022 Pension Expense Estimates (DB Only) CICA 3461 (Pension Expense Estimates)

Canadian Niagara Power stated the redacted information is commercially sensitive and not relevant to the application; it contains pension and benefit information for three affiliated companies, two of which are not regulated by the OEB for rate-setting purposes.

Canadian Niagara Power also stated that if the OEB denies the request to file only redacted versions of the HAV Report and the Pension Expense Estimates, then it requested that the OEB treat certain portions of these documents as confidential.

Redacted versions of the HAV Report and Pension Expense Estimates were filed on the public record and un-redacted versions of the documents were provided as a confidential filing with the OEB.

## Findings

### Issues List

The OEB has reviewed the proposed issues list and approves it for the purposes of this proceeding. The OEB may update the approved Issues List as necessary.

With respect to the organization of interrogatories, the OEB will allow the systematic numbering of interrogatories by exhibit number. The OEB may allow amendments to the Issues List following receipt of the interrogatory responses from Canadian Niagara Power.

### Redacted Documents

The OEB approves Canadian Niagara Power's request to file redacted versions only of the HAV Report and the Pension Expense Estimates on the public record of this proceeding. The OEB agrees that the redacted information regarding affiliates is commercially sensitive and not relevant to the determination of the issues in this proceeding.

As a result, the OEB further finds that the unredacted versions of these documents will not be available to the parties in this proceeding by way of the provision of a Declaration

and Undertaking regarding confidentiality as set out in the OEB's Practice Direction on Confidential Filings.

This finding is consistent with other recent decisions of the OEB approving 'permanent redactions' from material filed with the OEB that pertains to unregulated businesses that is not publicly available.<sup>1</sup> Similarly, the OEB has approved permanent redactions of information that is not relevant to the issues in an application.<sup>2</sup>

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

**THE ONTARIO ENERGY BOARD ORDERS THAT:**

1. The approved Issues List for this proceeding is attached to this Decision as Schedule A.
2. Canadian Niagara Power's request to file redacted versions only of the HAV Report and Pension Expense Estimates is granted.

**DATED** at Toronto, **August 27, 2021**

**ONTARIO ENERGY BOARD**

*Original Signed By*

Christine E. Long  
Registrar

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<sup>1</sup> Decision on Confidentiality, June 8, 2021, Ontario Power Generation Inc. Payment Amounts 2022-2026, EB-2020-0290, page 2

<sup>2</sup> Decision on Confidentiality and Procedural Order No.2, November 6, 2020, Alectra Utilities Corporation, EB-2020-0002, page 3

**Schedule A**  
**Canadian Niagara Power Inc.**  
**EB-2021-0011**  
**Approved Issues List**  
**August 27, 2021**

**APPROVED ISSUES LIST**  
**EB-2021-0011**  
**Canadian Niagara Power Inc. (Canadian Niagara Power)**

## **1.0 PLANNING**

### **1.1 Capital**

Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:

- customer feedback and preferences
- productivity
- benchmarking of costs
- reliability and service quality
- impact on distribution rates
- trade-offs with OM&A spending
- government-mandated obligations
- the objectives of Canadian Niagara Power and its customers
- the distribution system plan
- the business plan

### **1.2 OM&A**

Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:

- customer feedback and preferences
- productivity
- benchmarking of costs
- reliability and service quality
- impact on distribution rates
- trade-offs with capital spending
- government-mandated obligations
- the objectives of Canadian Niagara Power and its customers
- the distribution system plan
- the business plan

## **2.0 REVENUE REQUIREMENT**

**2.1** Are all elements of the revenue requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?

**2.2** Has the revenue requirement been accurately determined based on these elements?

**2.3** Is the proposed shared services cost allocation methodology and the quantum appropriate?

### **3.0 LOAD FORECAST, COST ALLOCATION AND RATE DESIGN**

**3.1** Are the proposed load and customer forecast, loss factors and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of Canadian Niagara Power's customers?

**3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?

**3.3** Are Canadian Niagara Power's proposals for rate design appropriate?

**3.4** Are the proposed Retail Transmission Service Rates and Low Voltage Service Rates appropriate?

### **4.0 ACCOUNTING**

**4.1** Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?

**4.2** Are Canadian Niagara Power's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts, requests for discontinuation of accounts, and the continuation of existing accounts, appropriate?

### **5.0 OTHER**

**5.1** Are the Specific Service Charges, Retail Service Charges, Pole Attachment Charge appropriate?

**5.2** Is the proposed effective date (i.e. January 1, 2022) for 2022 rates appropriate?

**5.3** Is Canadian Niagara Power's proposal to maintain the existing Interim status for the Standby charge appropriate?