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BY EMAIL

August 31, 2021

Ms. Christine E. Long
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
registrar@oeb.ca

Dear Ms. Long:

**Re: Hydro One Networks Inc.
Application for Affiliate Transmission Projects Account
OEB Staff Submission
Ontario Energy Board File Number: EB-2021-0169**

In accordance with Procedural Order No. 1, please find attached the OEB staff submission for the above proceeding. This document has been sent to Hydro One Networks Inc. and all intervenors.

Yours truly,

Tracy Garner

Tracy Garner
Project Advisor, Generation & Transmission

Encl.



OEB Staff Submission

Application for Affiliate Transmission Projects Account

Hydro One Networks Inc.

EB-2021-0169

August 31, 2021

1 INTRODUCTION

1.1 Overview of the Application

Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (OEB) on May 28, 2021 under section 78.1 of the *Ontario Energy Board Act, 1998* (Act), for an accounting order authorizing Hydro One to establish a new regulatory account, referred to as the Affiliate Transmission Projects Account (ATP Account). Hydro One also requested approval to establish the ATP Account on an interim basis, in advance of the OEB's final decision on this matter.

1.2 Process to Date

The OEB issued a Notice of Hearing on June 23, 2021. On July 12, 2021, the OEB issued Procedural Order No.1 and Decision on Interim Order establishing the ATP Account on an interim basis to enable Hydro One to record costs as of May 28, 2021, in advance of a final decision from the OEB. On July 20, 2021, Hydro One submitted updated evidence. On July 21, 2021, the OEB issued a Decision on Issues List approving an issues list for this proceeding. On July 27, 2021, OEB staff and intervenors submitted interrogatories to Hydro One. On August 11, 2021, Hydro One provided responses to the interrogatories.

2 OEB STAFF SUBMISSION

2.1 Introduction

Hydro One has requested approval to establish a new ATP Account that will be used to record and track costs for transmission line projects where both the following criteria apply:

- a) The project is the subject of a letter from the Independent Electricity System Operator (IESO) identifying transmission system needs, and/or an Order in Council or direction of the Minister of Energy indicating that Hydro One should initiate work on the project
- b) All or part of the project is expected to be owned by and included in the rate base of a partnership between Hydro One and one or more partners.

In this submission, OEB staff will refer to these as the Account Criteria.

Hydro One proposes to use the ATP Account for the Waasigan Transmission Line, the Chatham to Lakeshore Transmission Line, and the Lambton to Chatham Transmission

Line, which are projects that meet the Account Criteria and that are currently under development, as well as future projects that meet the Account Criteria.

Section 92 of the Act requires a transmitter to obtain leave of the OEB for the construction of an electricity transmission line. Regulation 161/99, the Definitions and Exemptions regulation under the Act, sets out certain exemptions from the requirement for leave, including where the transmission line is 2 km or less in length. OEB staff assumes that transmission line projects that meet the Account Criteria will exceed that length and will require leave to construct from the OEB prior to construction, at which time the OEB will determine whether the project is in the public interest.

Hydro One proposes that the ATP Account consist of two sub-accounts, the (i) ATP - Project Development, Preliminary Engineering and Planning Work deferral account (the Deferral Sub-Account), and the (ii) ATP – Project Construction Costs tracking account (the Tracking Sub-Account). Each of these sub-accounts would record costs by individual project.

In its evidence, Hydro One states that the Deferral Sub-Account would:

...record costs related to project preparation work conducted by Hydro One prior to the point from where costs qualify to be recorded in construction work-in-progress (CWIP), including items such as: preliminary design/engineering and planning, cost estimation, public engagement/consultation, routing and siting, real estate assessment costs, and environmental assessment...¹

and that costs recorded in the Deferral Sub-Account would:

... be maintained with interest accrued until disposition, consistent with the OEB's guidelines for Deferral and Variance Accounts (DVAs) and other Hydro One OEB-approved DVAs. These costs will be recovered by Hydro One at a future disposition of the sub-account unless the account is transferred to the New Partnership as part of its interest in the project – in that case, disposition would be sought by the New Partnership.²

Regarding the Tracking Sub-Account, Hydro One states that:

Once a project meets Hydro One's capitalization policy criteria, expenditures will be recorded in the ATP Account – Sub-Account Project Construction Costs. The capitalized costs will be transferred by way of sale to the New Partnership once the project is at or near its in-service date, following the OEB's approval pursuant

¹ Amended Evidence, p. 4.

² See Amended Evidence p. 2 for Hydro One's description of a New Partnership.

to section 86 of the Ontario Energy Board Act, 1998. At that time cost tracking in the ATP Account will cease.³

In response to an interrogatory, Hydro One stated the following with respect to its capitalization policy:

Hydro One's capitalization policy allows for project expenditures to be capitalized when all of the below criteria have been met:

- there is evidence of a commitment to proceed with the project;
- the project meets, or is reasonably expected to meet, significant legal, regulatory and operational requirements; and
- there are adequate technical, financial and other resources available, or can be obtained, to complete the project.⁴

Hydro One also stated that they intend to notify the OEB by letter when the status of a project changes from using the Deferral Sub-Account to using the Tracking Sub-Account.⁵

Hydro One has distinguished between the Deferral Account and the Tracking Account in the following way:

A deferral account captures deferred costs. The amounts can be requested for recovery in a future proceeding (typically in a rate application) and are subsequently reviewed and approved for disposition by the OEB.

A tracking account tracks costs and is meant to provide visibility to the OEB. Tracking accounts are not requested for recovery. In the event that a particular transmission project that has received approval to be recorded in the ATP Account is ultimately not placed in-service, Hydro One would remove that project's construction costs from CWIP and transfer the balance to the ATP deferral account. That balance would then be requested for recovery in a future proceeding.⁶

Hydro One stated that without a deferral account such as the ATP Account, project costs are tracked with a project code.⁷

³ Amended Evidence, p. 5.

⁴ Exhibit I / Tab 3 / Schedule 6, p.2.

⁵ Exhibit I / Tab 1 / Schedule 6.

⁶ Exhibit I / Tab 1 / Schedule 2, p.2.

⁷ Exhibit I / Tab 1 / Schedule 1.

2.2 Submission

This OEB staff submission follows the approved issues list.

Issue 1: Is the proposed regulatory account appropriate?

OEB staff submits that the proposed regulatory account is appropriate, subject to several comments related to the prudence and recovery of any costs tracked in the account.

Hydro One states that it is appropriate to use the ATP Account to record and track costs for projects that meet the Account Criteria because these projects are not expected to form part of a future Hydro One Transmission revenue requirement, because by the time they enter service, they will be owned by a “New Partnership” between Hydro One and one or more partners.⁸ According to Hydro One, using the ATP Account to record and track costs related to these projects will “keep Hydro One Transmission’s financial records more reflective of its actual business activities”.⁹ OEB staff does not oppose this position. OEB staff addresses this further in the Causation section under Issue 2.

Hydro One states that projects that meet the Account Criteria are non-discretionary because they are being initiated in response to either an Order in Council or direction from the Minister of Energy or a letter from the IESO. OEB staff does not agree with this strict interpretation. In OEB staff’s view, a project initiated by a letter from the IESO does not carry the same weight as one directed by the Minister of Energy, and Hydro One must decide whether to initiate project work based on a letter from the IESO.

Whether a project should proceed is normally not determined until the leave to construct application, and so if costs are incurred before that there is risk, despite the costs being tracked in the ATP account and the expenditures potentially being reasonable costs of developing a project. Hydro One must determine whether a letter from the IESO contains sufficient information, consistent with the level of information that could be known at the time of the letter, to support a future application for leave to construct. Future OEB review(s) of costs recorded and tracked in the ATP Account will determine whether (and the extent to which) these expenditures can be recovered from ratepayers and it is important for Hydro One to be comfortable that sufficient supporting analysis from the IESO will be available at that time in the future to support the costs incurred by Hydro One for development work. To take this to an extreme for illustrative purposes, it would not be appropriate for the IESO to ask Hydro One to initiate work on a project

⁸ Exhibit I / Tab 4 / Schedule 2, p. 2.

⁹ Ibid.

with no supporting analysis and then for Hydro One to have any sort of ‘guaranteed’ recovery of costs.

In OEB staff’s view, the use of the ATP Account should also not in any way guarantee recovery of development costs incurred by Hydro One in the case where a project is contested. The OEB’s *Board Policy: Framework for Transmission Project Development Plans* sets an expectation of economic efficiency during the development phase, which would prevent multiple transmitters from recovering development work for any transmission line project that is contested.¹⁰ The OEB’s December 2018 Decision on Hydro One’s application for leave to construct an electricity transmission line between Thunder Bay and Wawa stated that “Economic efficiency would be achieved by having one company complete the development work to avoid duplication of effort, such that ratepayers would pay once for development work.”¹¹ In OEB staff’s view, this principle should be maintained if Hydro One is granted approval of the ATP account.

Issue 2: Has Hydro One complied with all the filing requirements necessary to establish an Accounting Order, including, without limitation, the eligibility criteria of causation, materiality, and prudence?

Chapter Two of the OEB’s *Filing Requirements for Electricity Transmission Applications* (Filing Requirements) states that a new deferral account must satisfy the eligibility criteria of causation, materiality, and prudence. The Filing Requirements also state that applicants must include “a draft accounting order with a description of the mechanics of the account, including examples of general ledger entries, and the manner in which the applicant proposes to dispose of the account at the appropriate time.”¹² OEB staff submissions on Hydro One’s draft accounting order and the proposed manner and timing of distribution are covered under Issues 3 and 6, respectively.

The following excerpt from the Filing Requirements describes the three eligibility criteria.

- Causation - The forecasted expense must be clearly outside of the base upon which revenue requirement(s) were derived.
- Materiality – The forecasted amounts must exceed the OEB-defined materiality threshold and have a significant influence on the operation of the transmitter. Otherwise they must be expensed in the normal course and addressed through organizational productivity improvements.

¹⁰ EB-2010-0059 Board Policy: Framework for Transmission Project Development Plans, August 26, 2010.

¹¹ EB-2017-0182 Decision and Order, December 20, 2018, p. 15.

¹² Filing Requirements for Electricity Transmission Applications, Chapter 2 (February 11 2016), p. 35.

- Prudence - The nature of the costs and forecasted quantum must be reasonably incurred, although the final determination of prudence will be made at the time of disposition. In terms of the quantum, this means that the applicant must provide evidence demonstrating why the option selected represents the cost-effective option (not necessarily least initial cost) for ratepayers.¹³

OEB staff makes a submission on each of these criteria under the following headings.

- Causation

OEB staff submits that the proposed ATP Account meets the causation criteria.

On April 23, 2020 the OEB released its decision which approved a custom IR framework for Hydro One Transmission for the January 1, 2020, to December 31, 2022 period, in response to a revenue requirement application that Hydro One submitted in March 2019.¹⁴ OEB staff notes that once a custom IR framework has been approved, utilities are typically expected to live within the framework for the duration of the period. However, OEB staff submits that the circumstances of the three projects for which Hydro One plans to use the ATP Account are exceptional, akin to Z-factor events (although staff notes that the intention regarding these projects is to keep these costs out of Hydro One's revenue requirement). OEB staff submits it is reasonable to establish the ATP Account to record and track their costs, as well as the costs of future projects that meet the Account Criteria.

The development costs for the Waasigan Transmission Line project had already been separated from Hydro One's revenue requirement prior to Hydro One's 2019 revenue requirement application. On December 21, 2018 Hydro One wrote to the OEB to request that the Northwest Bulk Transmission Line Deferral Account, which had been established in 2015, be changed from a deferral account to a tracking deferral account. The OEB issued a decision approving this request on September 12, 2019. At the same time, the account was renamed the Waasigan Transmission Tracking Deferral Account (WTTDA).¹⁵ Hydro One has requested that if the ATP Account is approved the WTTDA be closed. Any previous balances tracked in the WTTDA account would then be transferred to and tracked in the ATP Account, and likewise, any future capital expenditures would be tracked in the ATP Account.

On June 11, 2019, the IESO issued a letter to Hydro One requesting that Hydro One initiate work on the Chatham to Lakeshore Transmission Line. In December 2020, an

¹³ Filing Requirements for Electricity Transmission Application, Chapter 2 (February 11 2016), p. 35.

¹⁴ EB-2019-0082, Decision and Order, April 23, 2020.

¹⁵ EB-2019-0151, Decision and Order, September 12, 2019.

Order in Council and Minister's directive related to the Chatham to Lakeshore Transmission Line were issued to the OEB. On March 26, 2021, the IESO issued a letter to Hydro One identifying the need for the Lambton to Chatham Transmission Line. In OEB staff's view, costs related to developing the Chatham to Lakeshore Transmission Line and the Lambton to Chatham Transmission Line were unforeseeable at the time Hydro One submitted its revenue requirement application in 2019.

The proposed ATP Account would also be used to record and track costs for future projects initiated in response to a letter from the IESO and/or an Order in Council or direction of the Minister of Energy and therefore not foreseeable by Hydro One for inclusion in a prior revenue requirement. In its application, Hydro One states that it does not expect to include project costs that are recorded and tracked in the ATP Account in future revenue requirement applications, because it is anticipated that a project with costs recorded and tracked in the ATP Account will be part of a future revenue requirement application by a partnership between Hydro One and one or more partners.

- Materiality

Hydro One's materiality threshold is \$3 million. OEB staff notes that the materiality threshold of a New Partnership will be based on the revenue requirement of the New Partnership, with the materiality threshold expected to be less than \$1 million.¹⁶ In OEB staff's view, the expected materiality threshold for a New Partnership is more relevant, because the intent of the ATP Account is to separate costs for projects that meet the Account Criteria from Hydro One's accounts. In its application, Hydro One states that initially the ATP Account would be used to record and track costs for three projects that are currently in development. In response to an interrogatory, Hydro One indicated that the costs to date for these three projects are \$12.6 million for the Waasigan Transmission Line, \$7.8 million for the Chatham to Lakeshore Transmission Line, and \$0.1 million for the Lambton to Chatham Transmission Line (which was initiated in 2021).¹⁷ While Hydro One has not provided any forecast costs, OEB staff anticipates that the proposed ATP Account will meet the materiality criteria because, based on the

¹⁶ The OEB's Filing Requirements for Electricity Transmission Applications, Chapter 2 (February 11 2016), p. 10 state that the default materiality threshold for a transmitter with a transmission revenue requirement less than or equal to \$10 million is \$50,000 and for a transmitter with a transmission revenue requirement greater than \$10 million and less than or equal to \$200 million is 0.5% of transmission revenue. B2M Limited Partnership and Niagara Reinforcement Limited Partnership are examples of existing transmitters that each own one transmission line asset. The OEB-approved 2021 revenue requirement for B2M LP was \$33.02 million (EB-2020-0226, Decision and Order, November 26, 2020). The OEB-approved 2021 revenue requirement for NRLP was \$8.23 million (EB-2020-0225, Decision and Order, December 17, 2020). Therefore, in OEB staff's view it is reasonable to expect that a New Partnership will have a revenue requirement of less than \$200 million, and a materiality threshold of less than \$1 million.

¹⁷ Exhibit I / Tab 3 / Schedule 10, p. 2.

costs provided by Hydro One, it is reasonable to assume that the costs for each project that meets the Account Criteria will exceed both materiality thresholds.

- Prudence

It is in the public interest for transmitters to initiate development work on transmission line projects in a timely and prudent manner, so that large, complex transmission projects, for which development work, approvals, and construction can take more than five years, enter service in time to address reliability or other system objectives.

Accordingly, development costs may be prudent expenditures. OEB staff submits that the Account Criteria that Hydro One has included in its application are appropriate screening criteria to identify development projects.

In OEB staff's view, there are two additional aspects related to the prudence of transmission line development costs which should be considered at the time of a request for disposition of any balances in the account, when considering leave to construct for the transmission line, or when a new transmission line is proposed to go into rate base. First, whether development work on a transmission line project is prudent is a function of what alternative solutions were evaluated, and why the selected alternative was preferred at the time the development work was initiated. Before costs to develop a transmission line are incurred, consideration should be given as to whether there is a viable, lower cost solution that could address the need. Second, there is a question as to whether the costs of developing the transmission line itself were incurred prudently. For example, was the scope of development work appropriate, and were goods and services procured competitively? OEB staff submit that the proposed ATP Account does not address either of these aspects; however, it is not necessary to address them with specific criteria for including costs in the ATP Account because these aspects of prudence will be considered in subsequent OEB review(s) – either at the time of disposition of any balances in the account, when considering leave to construct the transmission line, or when a new transmission line goes into rate base. At that time, Hydro One will need to defend its project development decisions in order to be eligible to recover costs from ratepayers.

In summary, OEB staff submits that the ATP Account, including the use of the Account Criteria for screening development projects, meets the prudence criteria. Detailed consideration of the prudence of any costs incurred will be the subject of future OEB review(s). As stated in the Filing Requirements, the final determination of prudence will be made at the time of disposition.

Issue 3: Is the draft accounting order filed by Hydro One, including the proposed accounting entries set out therein, appropriate?

OEB staff reviewed the entries proposed on the Accounting Order included in Appendix 1 of the application and submits that the proposed entries are appropriate.

Issue 4: Is the proposed methodology of allocation of Hydro One's direct and indirect costs to a project that is subject to the proposed account appropriate; and is the allocation methodology of common costs to Lines and Stations appropriate?

Hydro One states that:

The project costs will include direct costs that are recorded in Hydro One's financial system to each specific project's respective project code. For example, direct labour costs are recorded through timesheets being coded in the financial system directly to the specific project code. This may include employees that work on various projects, however through timesheets, costs are appropriately applied to the corresponding project. Indirect costs (corporate overheads) are applied by using Hydro One's overhead capitalization methodology that was most recently accepted by the OEB in the application for Transmission revenue requirement for the period 2020 through 2022 (EB-2019-0082). To ensure that capital work reflects all of the costs incurred to enable assets to be placed into service and to operate for their intended use, Hydro One (a) capitalizes costs that are directly attributable to capital work, such as the purchase price for materials and equipment, and costs directly incurred to bring materials and equipment to work sites and to install and otherwise make them ready for service, and (b) capitalizes common corporate costs, or overheads, that relate to its capital work. The treatment of the project costs for the projects expected to use the ATP Account, is consistent with the treatment for all Hydro One regulated projects which ensures the appropriate costs are allocated to the specific projects and that no cross subsidization occurs between Hydro One business segments, regulated or otherwise.¹⁸

OEB staff is satisfied with this description and submits that the proposed methodology for allocating Hydro One's direct and indirect costs is appropriate.

Hydro One also states that:

Where applicable, each project will track costs separately for the a) transmission line work, and b) associated station work. Hydro One does not expect costs that encompass work related to both the transmission line and station work will be

¹⁸ Exhibit I / Tab 1 / Schedule 5, p. 1.

material, however, where those costs do exist Hydro One contemplates these will be allocated using a pro-rata methodology, using actual lines and stations costs for the project as the ratio.¹⁹

OEB staff submits that this allocation methodology of common costs to lines and stations is also appropriate.

Issue 5: Are the notification and reporting requirements for the proposed regulatory account appropriate?

OEB staff propose the following notification process for initiating use of the ATP Account for a project, which expands on a notification proposal contained in Hydro One's application:²⁰ Hydro One shall notify the OEB, by letter to the Registrar, that it intends to begin recording and tracking costs for a project in the ATP Account. Hydro One shall include the following as part of the notification:

- a) Project description
- b) Expected in-service date
- c) Direction provided to Hydro One to commence development activities and confirmation that the project is in accordance with the direction set forth by the Minister of Energy and/or a letter received by Hydro One from the IESO
- d) Confirmation that by the time the project enters service all or part of the project is expected to be owned by and included in the rate base of a partnership between Hydro One and one or more partners
- e) Confirmation that project costs are expected to exceed the materiality threshold.

In addition, Hydro One confirmed in response to an interrogatory that they intend to notify the OEB by letter when the status of a project changes from using the Deferral Sub-Account to using the Tracking Sub-Account.²¹

In terms of reporting, in its application, Hydro One states that:

The accounts requested above will be managed in the same manner as existing Hydro One variance, deferral and tracking accounts. They will be updated monthly and interest applied (where appropriate) consistent with the OEB-

¹⁹ Exhibit I / Tab 1 / Schedule 4.

²⁰ Amended Evidence, pp. 12-13.

²¹ Exhibit I / Tab 1 / Schedule 6.

approved rate. Balances will be reported to the OEB as part of the annual reporting process.²² [Reference omitted.]

OEB staff submits that the notification and reporting requirements described above would be appropriate for the proposed regulatory account.

Issue 6: Is the proposed manner and timing for disposition of this account appropriate?

OEB staff suggest that there are several possible outcomes for a transmission line project that has costs recorded and tracked in the ATP Account.

- i) The project enters service owned by a New Partnership
- ii) The project enters service owned by Hydro One
- iii) The project does not enter service.

With respect to the first two outcomes, in its application, Hydro One states that “The outstanding balances will be submitted for approval to the OEB as part of a future rate filing, either Hydro One’s or the applicable New Partnership’s.”²³ In terms of the timing of disposition of the deferral sub-account, in response to an interrogatory, Hydro One stated that:

Disposition of the deferral sub-account can be sought before the assets go into service. Depending on the account balance, Hydro One may request disposition of the balance at the next rate application or after it has confirmed that all the pre-capitalization costs have been captured in the deferral account.²⁴

With respect to the third outcome, Hydro One states in their application that:

In the event the project does not proceed to completion as a result of circumstances that are beyond Hydro One’s control, Hydro One would seek to recover its prudently incurred development costs, construction costs and reasonable wind-up costs recorded in the ATP Account to the extent that the amount meets the established materiality threshold.²⁵

OEB staff submits that it would be undesirable for costs associated with a project that is not progressing toward completion to remain in the ATP Account indefinitely. OEB staff submits that Hydro One should be required to alert the OEB if there has been no

²² Amended Evidence, p. 13.

²³ Amended Evidence, p. 13.

²⁴ Exhibit I / Tab 1 / Schedule 7.

²⁵ Amended Evidence, p. 3.

material progress on a project for nine months. Nine months is suggested because it amounts to roughly three seasons of field work.

OEB staff has no issues with the proposed approach for disposition of balances.

2.3 Conclusion

OEB staff submits that Hydro One's application for an accounting order to establish the ATP Account should be approved, noting that the final determination of prudence will be made at the time of disposition.

As described under issue 2, above, OEB staff submits that the proposed ATP Account meets the eligibility criteria for a new deferral account. OEB staff notes that a new regulatory account need not be established simply because the eligibility criteria contained in the Filing Requirements are met. However, OEB staff is satisfied that in addition to meeting the eligibility criteria, establishing the ATP Account benefits ratepayers by separating costs that Hydro One does not expect to include in its own revenue requirement from Hydro One's accounts and removing the related complexities from future Hydro One revenue requirement applications.

In OEB staff's opinion, establishing the proposed ATP Account would tend to increase efficiency by separating the recording and tracking of costs associated with a project that may enter service as part of a partnership between Hydro One and one or more partners so that they are clearly identifiable for review at the appropriate time as part of an application by the transmitter that will own the asset when it enters service.

Beginning in 2015, Hydro One pursued this accounting treatment on a 'one-off' basis for the project that is now called the Waasigan Transmission Line. Since then, the Chatham to Lakeshore Transmission Line and Lambton to Chatham Transmission Line projects have materialized with similar circumstances. In OEB staff's view, it is more efficient to establish the ATP Account as a strategic response to such projects than to review applications to create individual accounts on an *ad hoc* basis.

Establishing the ATP Account potentially benefits Hydro One in the situation where a project that meets the Account Criteria does not proceed to completion. Establishing the ATP Account provides an opportunity for Hydro One to seek disposition of deferred development costs in the future and to recover from ratepayers costs that the OEB subsequently finds to have been prudently incurred. On the other hand, if an account is not approved, Hydro One will have no means of recovering development costs for the Chatham to Lakeshore Transmission Line, and the Lambton to Chatham Transmission Line, should they not proceed to completion.

For projects that do proceed to completion, the asset owner (i.e. either Hydro One or the New Partnership) would be in a position to seek approval for development costs as part of a rate application, whether or not the ATP Account is established. For such projects, the existence of the ATP Account would not reduce the burden on the applicant to demonstrate the prudence of costs recorded and tracked in it.

In OEB staff's view, for projects that proceed to completion, implementing the ATP Account would amount to a change in Hydro One record keeping, which would not require any incremental effort on the part of the OEB or intervenors. Although establishing the account would enable Hydro One to potentially recover development costs for projects that do not proceed to completion, in OEB staff's view, this may be an appropriate outcome regardless. Establishing the account does not prejudice the OEB's future review of projects and determination of whether the project costs that are recorded and tracked in the ATP Account are prudent or should be recovered from ratepayers.

All of which is respectfully submitted.