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February 8, 2022

Ms. Nancy. Marconi
Acting Registrar
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto ON
M4P 1E4

Dear Ms. Marconi,

RE: EB-2021-0110 Hydro One Networks Joint Rate Application : Correspondence
Requesting Postponement of the Settlement Conference - Energy Probe Comments

Energy Probe is an intervenor in the EB-2021-0110 proceeding. Energy Probe wishes to comment on the request from Hydro One Networks, to postpone the scheduled February 7-10, 2022 Settlement Conference, in order to allow it to update its evidence due to new information on projected inflationary trends.

Energy Probe's comments are in two parts:

1. The Rules of Practice and Procedure indicate that the OEB may, on conditions that the OEB considers appropriate permit an amendment to the evidentiary record (Section 11.01).

The Hydro One letter indicates it wishes to update its evidence for new information on Test year inflation (Section 11.02).

It is clear that Hydro One requires OEB permission to do what it seeks and this permission may be granted with conditions.

Energy Probe submits that appropriate conditions should include a **complete** update of all relevant schedules impacted by the new information. This includes not only Capital and Operating costs, but load forecast, cost allocation and rate impacts.

Hydro One's pre-filed evidence is structured in depth, For example, Operating and Maintenance Costs are provided in successive layers for each of Transmission and Distribution as shown in the Appendix to this letter.

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To properly update all of the 2023 Test Year detailed schedules is a massive undertaking, Energy Probe questions if that can be done in the 5 weeks period to March 14, 2022.

After the filing of the updated evidence there must be provision for discovery by intervenors. Given the magnitude of the update, this will require the same time allowed for initial discovery, including interrogatories and a technical conference.

Intervenors should also be provided with an update of the 2021 results prior to the Settlement Conference. This is to remove asymmetry by Hydro One having this base line historic information and intervenors do not. It makes most sense to provide 2021 actuals as part of the evidence update.

2, In Energy Probe's view Hydro One has inappropriately framed its request based on the OEB Protocol for Adjusting Adjudicative Timelines, Section 3, In particular it has proposed an adjustment to timeframes for the proceeding in Schedule D set out in Procedural Order No.1 and confirmed in Procedural Order No.2.

Energy Probe submits that *the Proceeding should be held in abeyance* until the evidence update has been filed, The Board can then issue an appropriate Procedural Order for continuation of the proceeding.

The Board is in control of the process for addressing Hydro One's request. Energy Probe requests that the Board respond with appropriate conditions that respect the rights of the applicant and intervenors.

Respectfully submitted on behalf of Energy Probe by its consultant.



Roger Higgin PhD, M.B.A., P. Eng.
SPA Inc.

cc Patricaia Adams (Energy Probe)
Martin Davies (OEB Staff)
Tracy Garner (OEB Staff)
Regulatory Affairs (Hydro One)
Tom Ladanyi (TL Energy Regulatory Consultants Inc.)
James Sidlofsky (OEB Staff)

Appendix

E - Operating, Maintenance and Administrative Costs				
E	1	1		Roadmap of Evidence Addressing Transmission and Distribution OM&A Costs
E	2	1		Summary of Transmission OM&A Expenditures
E	2	1	1A	Dx Chapter 2 Appendix 2-JA, 2-JB, 2-JC and 2-L - Transmission OM&A Expenditures*
E	2	1	1B	OM&A Cost Driver Tables For Transmission OM&A Expenditures – Explanatory Notes
E	2	2		Transmission Sustainment OM&A
E	2	3		Transmission Development OM&A
E	2	4		Transmission Customer Care OM&A
E	2	5		Transmission O&M Work Execution Strategy
E	3	1		Summary of Distribution OM&A Expenditures
E	3	1	1A	Dx Chapter 2 Appendix 2-JA, 2-JB, 2-JC and 2-L - Distribution OM&A Expenditures*
E	3	1	1B	OM&A Cost Driver Tables For Distribution OM&A Expenditures – Explanatory Notes
E	3	2		Distribution Sustainment OM&A
E	3	3		Distribution Development OM&A
E	3	4		Distribution Customer Care OM&A
E	3	5		Distribution O&M Work Execution Strategy

Exhibit	Tab	Schedule	Attachment	Contents
E	4	1		Summary of Common and Other OM&A
E	4	1	1	Dx Chapter 2 Appendix 2-N: Shared Services and Corporate Cost Allocation*
E	4	2		Common Corporate Functions and Services (CCF&S) and Other OM&A
E	4	2	1	Hydro One Networks Common Corporate Costs Benchmarking Study – UMS Group, dated: October 2020
E	4	3		Common Corporate OM&A - Planning
E	4	4		Common Corporate OM&A - Information Solutions
E	4	5		Operations OM&A
E	4	6		Common Corporate Costs OM&A - Transmission Cost of Sales - External Work
E	4	7		Common Corporate Costs OM&A - Distribution Cost of Sales - External Work
E	4	8		Common Corporate Costs & Allocation Methodology
E	4	8	1	Report on Corporate Cost Allocation Review – Black and Veatch, dated: June 9, 2021
E	5	1		Purchase of Non-affiliate Services
E	5	2		Procurement Process and Warranty Claims
E	5	2	1	Supply Chain Policy
E	6	1		Corporate Staffing and Compensation
E	6	1	1	Compensation Benchmarking Study – Mercer, dated: July 8, 2021
E	6	1	2A	Compensation Table (Dx Chapter 2 Appendix 2-K: Employee Costs)*
E	6	1	2B	Compensation Table - Explanatory Notes
E	6	1	3	2021 Corporate Scorecard
E	6	1	4	C.D. Howe Institute Commentary No. 539, dated: April 2019
E	6	1	5	Confidential Labour Relations Strategy
E	7	1		Pension and OPEB Costs
E	7	1	1	Pension Valuation Report, as at: December 31, 2018
E	7	1	2	Projected 2021-2027 Benefit Cost under FASB ASC 715-20-50 - Willis Towers Watson, dated: February 26, 2021

Exhibit	Tab	Schedule	Attachment	Contents
E	9	2	1	Calculation of Utility Income Taxes – Bridge and Test Years*
E	9	2	2	Calculation of Capital Cost Allowance – Bridge and Test Years*
E	9	2	2A	Reconciliation of Accounting to Tax Additions – Bridge and Test Years*
E	9	2	3	Calculation of Utility Income Taxes - Historical Years*
E	9	2	4	Calculation of Capital Cost Allowance - Historical Years*
E	9	2	5	Calculation of Tax Credits – Bridge and Test Years*
E	9	2	6	Calculation of Tax Credits – Historical Years*
E	9	3		Hydro One Networks Inc. Income Tax Return
E	9	3	1	2020 Tax Return
E	9	4		Taxes Other than Income Taxes
E	10	1		Regulatory Application Costs
E	10	1	1	Dx Chapter 2 Appendix 2-M: Regulatory Cost Schedule*
E	10	2		One Time Costs
E	10	3		Charitable and Political Donations
E	10	4		Z-Factor Claims