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February 8, 2022

Nancy Marconi  
Acting Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> floor  
Toronto, ON M4P 1E4

Dear Ms. Marconi

**Re: Hydro One Networks Inc. (“Hydro One”)  
2023-2027 Transmission and Distribution Rates  
Board File #: EB-2021-0110**

This letter is in response to Hydro One’s letters of February 4 and 7, 2022 (the “**February Letters**”). In the February Letters, Hydro one advised that it was unable to proceed with the settlement conference that was established in Procedural Order #1. Hydro One advised that it felt that it needed to amend its application to update the inflation rate forecasts. Hydro One stated that it expects the update to its application to include updates to the inflation assumptions in its plan, amendments to the capital and OM&A envelope levels, and associated bill impacts. It also indicated that it plans to provide a “mechanistic” update to its load forecast and file brief reply evidence from Clearspring Energy Advisors.

Hydro one attached a proposed updated schedule that provides for two scenarios – one with a substantial or complete settlement, and one without. In both scenarios, Hydro One proposes to submit its amended application by March 14, 2022, with interrogatories being due on March 21, 2022 and responses completed by March 28, 2022.

While CME acknowledges Hydro One’s attempt to mitigate the impact that its amendment will cause to the existing schedule, CME has several concerns about Hydro One’s proposed approach and the draft schedule, as follows:

- 1) The Board should not order a schedule in the absence of further information about the size and scope of the required amendments. Hydro One indicated that it is amending its application to change the inflation assumption. However, this inflation assumption underpins many of the totals throughout the record. CME submits that it is premature for the Board to order a schedule when it unclear whether Hydro One’s update will impact a relatively modest amount of Hydro One’s application, or will materially change thousands of figures. CME, like the Board and other parties, is not in a position to evaluate whether one week will be sufficient to ask interrogatories, or if one week

will be sufficient for Hydro One to answer them. Accordingly, CME submits the Board should wait until the amended application is filed before determining the appropriate schedule going forward.

- 2) Selective updates to the inflation and load forecast should be made in conjunction with a comprehensive update. As indicated, the inflation assumption underpins a significant amount of Hydro One's application. However, inflation is not the only input. Consequently, CME is concerned that selective updates to the inflation and portions of the load forecast, without a broader update, will provide the Board and parties with a distorted view of Hydro One's business conditions and forecasts during the upcoming rate periods.
- 3) Hydro One is not proposing a blue page update. In its Decision and Order dated October 25, 2021, the Board determined that it would not require a blue page update in this proceeding. As CME apprehends it, the main factor driving the Board's decision was that a blue page update would require delaying the proceeding. The Board also determined that "Hydro One will also file the blue page update in April 2022 in case it becomes necessary." Given the fact that the settlement conference will be delayed until at least April 2022, and Hydro One will be updating significant portions of its evidence already, CME submits that it is appropriate that Hydro One provide a blue page update, to ensure that the Board is provided with the best available information upon which to base its determination.

Yours very truly



Scott Pollock

c. Mathew Wilson & Allison Bernholtz (CME)  
Hydro One and Intervenors EB-2021-0110