



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

February 9, 2022

VIA E-MAIL

Nancy Marconi,
Registrar (registrar@oeb.ca)
Ontario Energy Board
Toronto, ON

Dear Ms. Marconi:

Re: EB-2021-0110 – Hydro One Networks Joint Rate Application
Hydro One letter of February 7, 2022: Response of the Vulnerable Energy Consumer Coalition

VECC is an approved intervenor in the proceeding EB-2021-0110. On February 4, 2022 – the Friday before the start of the Board scheduled settlement conference - Hydro One informed the Board that it would not be able to proceed with the conference as it intended to revise its application for new inflationary expectations. Notwithstanding that event, the parties met with Hydro One on February 7 where further information was provided and which is consistent with the letter filed by Hydro One later that same day with the Board.

While the Board has not yet sought input from the parties (or spoken to Hydro One's self declaration to cancel the settlement conference) we wish to provide our initial views as to the latest events unfolding in this proceeding.

We have reviewed letters filed by other intervening parties on this matter and are in agreement with them. While trying not to be overly repetitive we would make the following points.

- There is insufficient information at this time as to the nature and breadth of the amendment sought. Hydro One's letter of February 7th simply explains that its inflation forecast has changed. This is unsurprising given that inflation expectations and central bank responses to those expectations have been widespread in the financial news well before the end of last year. It is perhaps a bit more surprising that Hydro One should come to this realization on the brink of the settlement conference.
 - It is problematic to set a schedule in advance of the application amendment being filed. Not only is this because, as others have noted, that the breadth of the information and the discovery it warrants are unknown, but also because it is not clear from what has been said that the amendment will meet the Board's filing requirements. These requirements are put
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- in place so as to provide adjudicators with balanced information in the pursuit of making just and reasonable decisions. As others have pointed out it may be that Hydro One intends to file a selective updating of the Application. If so, the Board may (perhaps after hearing from parties) determine that the amendment does not meet its filing requirements.
- Earlier draft schedules for this proceeding contemplated updates for actual 2021 cost and revenue information by April 18, 2022. Hydro One will clearly be in possession of that information prior to that date. Under the Applicant's optimistic schedule parties would be in settlement negotiations the week of April 4th. Asymmetry of information is an unfortunate reality of regulation, but we submit it is simply untenable and unfair to the parties to expect negotiations to occur under the circumstance where Hydro One knows all the actual results from 2021 and the public intervenors do not. Furthermore, if the actual results for 2021 are materially different from those currently forecast by Hydro One then the same OEB rules of practice referenced by Hydro One as obligating it to provide the proposed update would also necessitate a further update once the 2021 results are known.
 - Finally, on a pragmatic note - Hydro One's proposed schedule provides for the filing of an amendment/evidence on March 14th. This marks the beginning of Ontario's week (or two weeks) of school March Break. Hydro One expects intervenors to now make whatever personal accommodation are necessary in order to review the evidence, ask interrogatories and prepare for the settlement that would follow three weeks later. This we suggest is unreasonable.

Our suggestion is that the Board put the entire matter in abeyance at this time. The OEB cannot be held accountable for the actions of Hydro One. It has been their choice to pursue a long-term custom IR rate plan in the face unprecedented social and economic turmoil. As such any detrimental consequences of delay rest with the management and shareholders of the Utility.

We also suggest that the Board direct Hydro One to provide as soon as possible a detailed outline of the exhibits it intends to update and the nature of those updates. This could then be used to inform the Board and parties as to the nature and breadth of the amendment and allow the Board to establish its expectations *prior* to Hydro One's filing. This might reduce the possibility (or at least breadth) of later arguments with respect to those amendment and updates.

Subsequent to the filing of the amendment and updates the Board could then establish a reasonable schedule to continue this proceeding.

We hope our comments have been helpful.

Yours truly,



Mark Garner
On behalf of VECC/PIAC

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