



**Hydro One Remote Communities Inc.**

**Application for electricity rates and proposed revenue  
requirement beginning May 1, 2023**

**Decision on Issues List and Confidentiality  
November 9, 2022**

Hydro One Remote Communities Inc. (Hydro One Remote Communities) filed a cost of service application with the Ontario Energy Board (OEB) on August 31, 2022 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to its 2023 revenue requirement and rates for the generation and distribution of electricity beginning May 1, 2023.

**Proposed Issues List**

The OEB issued a Notice of Hearing on September 26, 2022. Wataynikaneyap Power LP (Watay) applied for intervenor status and was approved on October 27, 2022, subject to the OEB's comments in that letter on the scope of Watay's participation. Procedural Order No. 1 (PO 1)<sup>1</sup> provided for OEB staff to file a proposed issues list or alternatively to advise the OEB in writing that the parties and OEB staff have been unable to reach an agreement on a draft issues list.

On October 28, 2022, OEB staff filed a proposed issues list for the OEB's consideration. OEB staff noted in its cover letter that parties have requested that the OEB waive the requirement under rule 26.02(e)(ii) of the *Rules of Practice and Procedure* that interrogatories correspond to the issues list and, as an alternative, to allow parties to file interrogatories according to the exhibits in the application. Parties believe this approach will result in a more efficient, less costly process.

Additionally, parties have asked to reserve the right to raise additional matters for inclusion on the issues list after the OEB's receipt of Hydro One Remote Communities' interrogatory responses.

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<sup>1</sup> Issued on October 19, 2022

## Findings

The OEB has reviewed the proposed issued list as filed by OEB staff and approves it for the purposes of this proceeding. Further, the OEB approves the request to file interrogatories according to exhibits in the application.

The approved issues list may be updated as necessary to further define the scope of the proceeding.

## Confidentiality Request

As part of its application, Hydro One Remote Communities requested confidential treatment for certain portions of or the entirety of, information contained in the 2020 and 2021 Corporate Tax Returns (Tax Returns). In accordance with the OEB's *Rules of Practice and Procedure* and the *Practice Direction on Confidential Filings* (Practice Direction), Hydro One Remote Communities filed redacted copies of the documents along with a cover letter identifying the pages or specific portions for redaction and reasons for confidential treatment. Unredacted copies were filed separately in confidence.

Hydro One Remote Communities requested confidential treatment of the following information contained in Attachments 1 and 2 to Exhibit D, Tab 5, Schedule 2 of the Tax Returns:

1. Hydro One Remote Communities' business number and business numbers of associated Hydro One companies
2. Social insurance numbers, names and the name of trade under apprenticeship
3. Contractor work costs

Hydro One Remote Communities submits for item 1 that the business number and other business numbers associated with Hydro One companies are considered commercially sensitive, and public disclosure may expose the risk of fraud or other malicious acts. Hydro One Remote Communities considers the information in item 2 to be personal information under the *Freedom of Information and Protection of Privacy Act* (FIPPA). With regard to item 3, Hydro One Remote Communities submits that the information is to be maintained in confidence for the purposes of future competitive bids, and Hydro One Communities also notes the information is not relevant to the issues in this proceeding.

Parties were directed to file any objections to Hydro One Remote Communities' submissions on items 1 and 3 within the prescribed timelines as set out in the Practice Direction. The OEB did not receive any objections.

## Findings

The OEB has considered the confidentiality requests in accordance with the Practice Direction and finds the information contained in the Tax Returns as identified above to be consistent with other similar requests filed with the OEB<sup>2</sup>. The OEB will treat the information referred to in items 1 and 3 above as confidential, but does not agree that the contactor work costs are irrelevant. Any counsel or consultant to a party that wishes to review the confidential, unredacted versions of items 1 and 3 shall file a Declaration and Undertaking, as provided for in the OEB's Practice Direction.

The OEB finds that the information contained in item 2 is personal information as that term is defined in FIPPA, consistent with the OEB's treatment of similar information in other proceedings. Therefore, the information will be permanently redacted and unavailable to individuals irrespective of signing the Declaration and Undertaking.

## THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The approved Issues List is attached to this Decision as Schedule A.

**DATED** at Toronto, **November 9, 2022**

**ONTARIO ENERGY BOARD**

Nancy Marconi  
Registrar

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<sup>2</sup> For example, EB-2019-0082, Decision on Confidentiality

**SCHEDULE A**  
**APPROVED ISSUES LIST**  
**HYDRO ONE REMOTE COMMUNITIES INC.**  
**EB-2022-0041**  
**NOVEMBER 9, 2022**

**ISSUES LIST  
EB-2022-0041**

**Hydro One Remote Communities Inc. (Hydro One Remote Communities)**

**1.0 PLANNING**

**1.1 Capital**

Are the level of planned distribution and generation 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 Hydro One Remote Communities and its customers
- the distribution system plan
- the business plan
- capital funding received by Indigenous Service Canada
- the connection of First Nations communities to the Wataynikaneyap Power LP transmission line, both those currently by Hydro One Remote Communities and those to be served by Hydro One Remote Communities upon connection to the Wataynikaneyap line

**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 Hydro One Remote Communities and its customers
- the distribution system plan
- the business plan
- cost of diesel fuel

- the connection of First Nations communities to the Wataynikaneyap line, both those currently by Hydro One Remote Communities and those to be served by Hydro One Remote Communities upon connection to the Wataynikaneyap line

## **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 for the 2023 test year appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of Hydro One Remote Communities' customers, including the changes due to connection of communities to the Wataynikaneyap line?
- 3.2** Are Hydro One Remote Communities' proposals for rate design appropriate?

## **4.0 ACCOUNTING**

- 4.1** Is the accounting standard used for regulatory purposes appropriate?
- 4.2** 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?
- 4.3** Is Hydro One Remote Communities' proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, and the continuation of existing accounts, appropriate?

## **5.0 OTHER**

- 5.1** Are the Specific Service Charges appropriate?
- 5.2** Is the proposed effective date (i.e. May 1, 2023) for 2023 rates appropriate?

- 5.3** Is the Rural and Remote Rate Protection amount and the proposal to adjust it by the OEB-approved inflation during the incentive rate-setting mechanism appropriate?
- 5.4** Has Hydro One Remote Communities appropriately responded to the prior commitment from its previous 2018 cost of service proceeding settlement proposal regarding pension costs (EB-2017-0051)?