



Northern Ontario Wires Inc.

**Application for electricity distribution rates beginning May 1,
2025**

**PROCEDURAL ORDER NO. 1
October 17, 2024**

Northern Ontario Wires Inc. (Northern Ontario Wires) filed a cost of service application with the Ontario Energy Board (OEB) on August 30, 2024, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Northern Ontario Wires charges for electricity distribution, beginning May 1, 2025.

A Notice of Hearing was issued on September 23, 2024. Each of School Energy Coalition (SEC) and Vulnerable Energy Consumers Coalition (VECC), applied for intervenor status and cost eligibility.

No objection was received from Northern Ontario Wires.

SEC and VECC are approved as intervenors. The list of parties in this proceeding is attached as Schedule A to this Procedural Order. SEC and VECC are eligible to apply for an award of costs under the OEB's [Practice Direction on Cost Awards](#).

SEC and VECC should be aware that the OEB will not generally allow the recovery of costs for the attendance of more than one representative of any party unless a compelling reason is provided when cost claims are filed.

SEC and VECC are advised that this application is part of the OEB intervenor budget pilot project. The budget for each cost eligible intervenor will be \$20,000. Further details on this intervenor budget pilot project are set out in the OEB's 2025 Filing Requirements [letter](#) issued on April 11, 2024.

Being eligible to apply for recovery of costs is not a guarantee of recovery of any costs claimed. Cost awards are made by way of OEB order at the end of a hearing.

Very Small Utility Pilot

The OEB has initiated a pilot process aimed at reducing the regulatory burden associated with filing and reviewing major rate applications for very small utilities (i.e., electricity distributors with fewer than 5,000 customers).¹

Northern Ontario Wires has requested that the OEB pilot a version of its streamlined process for very small utilities for its application. Specifically, Northern Ontario Wires believes the proposed new very small utility process would be beneficial to Northern Ontario Wires and its customers. Northern Ontario Wires has approximately 6,000 customers.

While Northern Ontario Wires is slightly higher than the threshold of 5,000 customers for the VSU, the OEB is providing for the streamlined process, including a one-day meeting before any discovery process, given the opportunity to learn whether such an approach can lead to regulatory efficiencies.

Issues Meeting

This application will follow the streamlined process currently being piloted with very small utilities that aims to reduce the regulatory burden associated with filing and reviewing rate rebasing applications. The OEB is scheduling a one-day Issues Meeting prior to the discovery process where Northern Ontario Wires, OEB staff, and intervenors will discuss the application and seek agreement on (i) an Issues List for the application that sets out issues that are relevant to the application; and (ii) an Interrogatory Issues List that sets out issues that require further discovery. If Northern Ontario Wires, OEB staff, and intervenors agree that there are no issues on the Interrogatory Issues List, then the proceeding could, if the OEB agrees, move directly to a settlement conference.

During the Issues Meeting, OEB staff will also canvas parties for any unique issues that should be proposed beyond the standard [Issues List](#) for electricity distribution rate applications.

Following the Issues Meeting, OEB staff will file an Issues Meeting Letter notifying the OEB of the result including whether parties propose to use the standard Issues List, an amended Issues List, or whether there was no agreement on the Issues List. OEB staff will also file an Interrogatory Issues List where there is agreement amongst the parties or advise as to areas of disagreement in this regard, and advise the OEB of any updates/corrections Northern Ontario Wires intends to file to its application evidence, as well as any alternative case schedules proposed by the parties. The OEB will approve an Issues List and Interrogatory Issues List prior to next steps in the proceeding.

¹ <https://www.rds.oeb.ca/CMWebDrawer/Record/846969/File/document>

Interrogatories

The OEB is scheduling time for written interrogatories for any issues included on the approved Interrogatory Issues List. In preparing interrogatories, intervenors and OEB staff should refer to the OEB's approved Interrogatory Issues List. Parties should consult Rules 26 and 27 of the OEB's [Rules of Practice and Procedure](#) regarding required naming and numbering conventions and other matters related to interrogatories. The OEB will review the single test year application both in the context of the projects and programs that are requested for the test year and from the perspective of the distributor's plans for the subsequent four years until the next scheduled rebasing application.

Parties should examine the value presented by the proposed investments as opposed to focusing only on the costs. Parties should also assess the fit between the applicant's plans and its stated objectives and consider how the plans contribute to positive outcomes for customers, in particular those outcomes that arise from the asset management decisions reflected in the applicant's distribution system plan. The OEB will consider the entire five-year distribution system plan to assess the planning and pacing proposals of the applicant and whether the test year requests are appropriately aligned with the distribution system plan. The OEB will also consider productivity and benchmarking results in assessing cost forecasts, bill impacts and distributor performance.

Parties should not engage in detailed exploration of items that do not appear to be material. Parties should use the materiality thresholds documented in Chapter 2 of the Filing Requirements as a guide. In making its decision on cost awards, the OEB will consider whether intervenors made reasonable efforts to ensure that their participation in the hearing was focused on material issues.

Settlement Conference

The OEB is making provision for a settlement conference on the application. Following the settlement conference, provision is being made for the filing of (i) a letter advising on the status of the settlement discussions; (ii) any settlement proposal arising from the settlement conference, whether full or partial; (iii) comments from OEB staff on any settlement proposal; and (iv) submissions on the process for hearing any unsettled issues to be adjudicated by the OEB.

Settlement Conference Facilitator

In August 2023, the OEB established a Working Group to evaluate opportunities to reduce the regulatory burden for very small utilities (i.e., electricity distributors with fewer than 5,000 customers) in relation to major rate applications. On March 28, 2024, the OEB issued a letter

responding to recommendations of the Working Group. In its letter, the OEB noted that it would consider the use of an OEB staff member or an OEB Commissioner as a substitute for an external facilitator in settlement conferences.

On August 2, 2024, the OEB issued a [letter](#) stating that it would pilot the approach of having a Commissioner act as the facilitator in the settlement conference for a cost of service application using the same streamlined application process that is being piloted with very small utilities. The OEB noted that, while Rule 29.04 of the OEB's *Rules of Practice and Procedure* states that Commissioners shall not participate in a settlement conference, Rule 1.03 states that the OEB may dispense with a Rule if it is in the public interest to do so. This pilot is intended to determine if there are more efficient and cost effective ways to set the rates for small electricity distributors. The OEB concludes this is in the public interest.

The OEB has determined that it will also pilot the approach of having a Commissioner act as the facilitator in the settlement conference for the current application.

In the event of a full settlement, with the consent of the parties, the Commissioner who acts as the facilitator will be the panel before whom the settlement proposal will be brought forward for approval. The procedural steps following the settlement conference will remain the same for this proceeding, yet the timelines could be expedited.

As outlined in the March 28th letter, the OEB will evaluate the results of the pilot before deciding whether this approach could be extended to other small electricity distributors, or whether amendments to the approach are required.

Section 9 of the *Practice Direction on Settlement Conferences*² sets out the role of a settlement conference facilitator. Those expectations will apply equally to a Commissioner who acts as the facilitator in this proceeding. At the beginning of the settlement conference, the Commissioner will provide an overview of the process and can address any preliminary questions. Over the course of discussions, the Commissioner may identify areas where a potential settlement may not, in their view, be in the public interest. That Commissioner will also be bound by the same privilege and confidentiality standards that apply to the settlement conference participants, which are outlined in sections 10-10.2 of the *Practice Direction on Settlement Conferences*. The fact that a Commissioner is facilitating a settlement conference is not expected to affect the role of OEB staff as described in section 11 of the *Practice Direction on Settlement Conferences*.³

² Ontario Energy Board Practice Direction on Settlement Conferences, Section 9, page 3

³ Under section 11 of the Practice Direction, OEB staff will file a submission on a settlement proposal except where the OEB directed OEB staff to be a party to a settlement conference and to any resulting settlement proposal.

In the event of a partial settlement or no settlement, the Commissioner who acts as the settlement conference facilitator will have no further involvement in this proceeding after the settlement process. Rather, the application will be adjudicated by a different panel of one or more OEB Commissioner(s). That panel will be responsible for all aspects of the proceeding following the settlement conference including deciding whether to approve any partial settlement, determining the procedural steps for all unresolved issues, and issuing a decision on all unresolved issues.

Confidentiality Requests

By letter dated August 30, 2024, Northern Ontario Wires requested confidential treatment of the actuarial report by the Modelis Corporation (Actuarial Report),⁴ the report by 3i0 titled *Consequences of Inaction Regarding 115kV to 4.16kV System*,⁵ and the feasibility study by McMillan Distribution Engineering and Consulting Ltd. (McMillan), titled *Feasibility Study New Transformer Station*.⁶

1. Actuarial Report by the Modelis Corporation & Exhibit 4, Chapter 2 Appendices, Tab 2-K

The Actuarial Report developed by Modelis highlights data and information relating to post-employment benefits for three current employees and two retired employees. Northern Ontario Wires stated that publication of this data would disclose sensitive, personal information regarding specific employees and former employees without their consent that could lead to a negative reaction against both the employees, former employees, as well as the company.

Northern Ontario Wires stated that Exhibit 4, Chapter 2 Appendices, Tab 2-K includes aggregated post-employment benefit costs for the employees covered in the report within the overall compensation information for all employees.⁷

Northern Ontario Wires states that it is of the view that this is considered personal information under the *Freedom of Information and Protection of Privacy Act*. Northern Ontario Wires requested that the information be provided only to OEB staff, counsel and Commissioners, but not to representatives, counsel, experts, or consultants for other parties to the proceeding, even if they sign the OEB's Declaration and Undertaking.

⁴ Exhibit 4, Tab 4, Schedule 2, Attachment 2.

⁵ Exhibit 2, Tab 2, Schedule 1, Attachment 1, Appendix A-1.

⁶ Exhibit 2, Tab 2, Schedule 1, Attachment 1, Appendix A-2.

⁷ Exhibit 4, Tab 4, Schedule 2, Attachment 2, pages 261-263 and 266-267.

2. 3i0 Consequences of Inaction Regarding and the McMillan – Feasibility Study New Transformer Station

The application includes feasibility studies by 3i0 and McMillan for the current state of an existing substation. Northern Ontario Wires requested confidential treatment as parts of the study refer to specific customers and information about those specific customers. Northern Ontario Wires states that disclosure of the identity of these customers in conjunction with commercially sensitive information such as their load data and/or their relationship with the Northern Ontario Wires distribution system would be without their consent and would pose a risk to those customers' competitive positions. Northern Ontario Wires notes that this information would disclose load profiles, energy usage, and billing information of a specific customer. Northern Ontario Wires is agreeable to sharing this information with parties who have signed a Declaration and Undertaking.

In accordance with the OEB's [Practice Direction on Confidential Filings](#) (Practice Direction), Northern Ontario Wires has filed a redacted copy of these documents. An unredacted copy of the document was filed separately in confidence.

Parties that wish to object to the confidentiality request should refer to section 4 of the Practice Direction and follow the timelines and process in sections 5.1.6 and 5.1.7 of the Practice Direction. Northern Ontario Wires should follow the timelines and process in section 5.1.8 of the Practice Direction if it wishes to respond to any objections.

The OEB is making provision for the following related to this proceeding. Further procedural orders may be issued by the OEB.

IT IS THEREFORE ORDERED THAT:

1. If intervenors or OEB staff have any objections to Northern Ontario Wires' request for confidentiality, they shall file their written submission with the OEB and serve it on Northern Ontario Wires within the timelines specified in section 5.1.6 of the Practice Direction.
2. If Northern Ontario Wires wishes to respond to any submission on confidentiality, it must file its written reply with the OEB and serve it on all parties within the timelines specified in section 5.1.8 of the Practice Direction.
3. An Issues Meeting among the parties and OEB staff will be convened on **October 30, 2024**, starting at 8:30 a.m. This will be a virtual event and information on how to participate will be provided in advance.

4. At the conclusion of the Issues Meeting, OEB staff shall file a letter advising the OEB of any updates/corrections Northern Ontario Wires intends to file, a proposed Issues List and Interrogatory Issues List if agreed to by all parties, and any alternative case schedules proposed by the parties by **November 5, 2024**.
5. OEB staff and intervenors shall request any additional relevant information and documentation from Northern Ontario Wires that relates to one or more issues included on the Interrogatory Issues List, by written interrogatories filed with the OEB and served on all parties by **November 15, 2024**.
6. Northern Ontario Wires shall file with the OEB complete written responses to all interrogatories and serve them on all intervenors by **December 2, 2024**.
7. A settlement conference amongst the parties and OEB staff will be convened on **December 12, 2024**, starting at 9:30 a.m. If necessary, the settlement conference will continue on **December 13, 2024**. This will be a virtual event and information on how to participate will be provided in advance.
8. If there is no settlement proposal arising from the settlement conference, Northern Ontario Wires shall file a statement to that effect with the OEB by **December 18, 2024**. In that event, parties shall file with the OEB and serve on the other parties by **January 10, 2025**, any submissions on the process for hearing all issues in the application.
9. If there is a settlement proposal, that proposal shall be filed with the OEB on or before **January 17, 2025**. On that same date, if there is only a partial settlement, parties shall file with the OEB and serve on the other parties any submissions on the process for hearing the unsettled issues.
10. Any submission from OEB staff on a settlement proposal shall be filed with the OEB and served on all parties by **January 24, 2025**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2024-0046** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Vithooshan Ganesanathan, at 416-440-7691 or Vithooshan.Ganesanathan@oeb.ca and OEB Counsel, Lawren Murray at Lawren.Murray@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, **October 17, 2024**

ONTARIO ENERGY BOARD

By delegation, before: Nancy Marconi

Nancy Marconi
Registrar

SCHEDULE A
LIST OF APPLICANT AND INTERVENORS
NORTHERN ONTARIO WIRES INC.
EB-2024-0046
PROCEDURAL ORDER NO. 1
OCTOBER 17, 2024

Northern Ontario Wires Inc.
EB-2024-0046

APPLICANT & LIST OF INTERVENORS

October 17, 2024

APPLICANT

Rep. and Contact Information for Service

Northern Ontario Wires Inc.

Marc Bélanger

General Manager

Northern Ontario Wires Inc.

Tel: 705-272-6669

regulatory@nowinc.ca

Rep. and Contact Information for Service

Northern Ontario Wires Inc.

Geoffrey Sutton

Chief Financial Officer

Northern Ontario Wires Inc.

Tel: 705-272-2918

geoffs@nowinc.ca

APPLICANT COUNSEL

Michael Buonaguro

Counsel

Consultant

Tel: 416-767-1666

mikebuonaguro@me.com

INTERVENORS

Rep. and Contact Information for Service

Northern Ontario Wires Inc.
EB-2024-0046

APPLICANT & LIST OF INTERVENORS

October 17, 2024

School Energy Coalition

Jane Scott

Consultant

PJScott Consulting

Tel: 647-271-3174

jane_scott@rogers.com

Jay Shepherd

Counsel

Shepherd Rubenstein Professional Corporation

Tel: 416-804-2767

jay@shepherdrubenstein.com

Mark Rubenstein

Counsel

Shepherd Rubenstein Professional Corporation

Tel: 647-483-0113

mark@shepherdrubenstein.com

Brian McKay

Ontario Education Services Corporation

Tel: 416-340-2540

SEC@oesc-cseo.org

**Vulnerable Energy Consumers
Coalition**

Mark Garner

Consultant - Project Manager

Consultant

Tel: 647-408-4501

markgarner@rogers.com

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APPLICANT & LIST OF INTERVENORS

October 17, 2024

**Vulnerable Energy Consumers
Coalition**

Bill Harper

Consultant

Tel: 416-348-0193

bharper.consultant@bell.net

Donna Brady

Office Administrator

Public Interest Advocacy Centre

Tel: 613-562-4002 Ext: 121

dbrady@piac.ca