



Hydro 2000 Inc.

**Hydro 2000 Inc. for electricity distribution rates and
other charges beginning May 1, 2025**

**PROCEDURAL ORDER NO. 1
November 29, 2024**

Hydro 2000 Inc. (Hydro 2000) filed a cost of service application with the Ontario Energy Board (OEB) on October 15, 2024, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Hydro 2000 charges for electricity distribution, beginning May 1, 2025.

A Notice of Hearing was issued on November 7, 2024. Vulnerable Energy Consumers Coalition (VECC) applied for intervenor status and cost eligibility.

No objection was received from Hydro 2000.

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

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.

VECC is 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 Hydro 2000 has approximately 1280 customers.

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.² The OEB is scheduling a one-day Issues Meeting prior to the discovery process where Hydro 2000, 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 Hydro 2000, 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 Hydro 2000 intends to file 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.

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.

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

² <https://www.oeb.ca/consultations-and-projects/policy-initiatives-and-consultations/regulatory-efficiency-very-small>

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.

The OEB Panel will determine at a later date if OEB staff will be a party to the settlement conference.

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*³ (Practice Direction) 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. 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.⁴

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.

³ [Ontario Energy Board Practice Direction on Settlement Conferences](#), Section 9, p. 3

⁴ 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.

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. An Issues Meeting among the parties and OEB staff will be convened on **January 8, 2025**, starting at 9:30 a.m. This will be a virtual event and information on how to participate will be provided in advance.
2. At the conclusion of the Issues Meeting, OEB staff shall file a letter advising the OEB of any updates/corrections Hydro 2000 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 **January 13, 2025**.
3. OEB staff and intervenors shall request any additional relevant information and documentation from Hydro 2000 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 **January 21, 2025**.
4. Hydro 2000 shall file with the OEB complete written responses to all interrogatories and serve them on all intervenors by **February 4, 2025**.
5. A settlement conference among the parties and OEB staff will be convened on **February 13-14, 2025**, starting at 9:30 a.m. This will be a virtual event and information on how to participate will be provided in advance of the conference.
6. If there is no settlement proposal arising from the settlement conference, Hydro 2000 shall file a statement to that effect with the OEB by **February 19, 2025**. In that event, parties shall file and serve on the other parties by **February 26, 2025**, any submissions on the process for hearing all issues in the application.
7. If there is a settlement proposal, that proposal shall be filed with the OEB on or before **March 5, 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.

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-2024-0030** 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, Amber Goher at amber.goher@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, **November 29, 2024**

ONTARIO ENERGY BOARD

By delegation, before: Nancy Marconi

Nancy Marconi
Registrar

SCHEDULE A

LIST OF APPLICANT AND INTERVENORS

PROCEDURAL ORDER NO. 1

HYDRO 2000 INC.

EB-2024-0030

DATED : NOVEMBER 29, 2024

Hydro 2000 Inc.
EB-2024-0030

APPLICANT & LIST OF INTERVENORS

November 29, 2024

APPLICANT

Rep. and Contact Information for Service

Hydro 2000 Inc.

Lise Wilkinson

Gérante / Manager

Hydro 2000 Inc.

Tel: 613-679-4093

lisewilkinson@hydro2000.ca

INTERVENORS

Rep. and Contact Information for Service

**Vulnerable Energy
Consumers Coalition**

Mark Garner

Consultant - Project Manager

Consultant

Tel: 647-408-4501

markgarner@rogers.com

Bill Harper

Consultant

Tel: 416-348-0193

bharper.consultant@bell.net