

EB-2024-0008

Atikokan Hydro Inc.

Application for electricity distribution rates beginning May 1, 2025

PROCEDURAL ORDER NO. 1 December 16, 2024

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

A Notice of Hearing was issued on November 21, 2024.

On December 11, 2024, Vulnerable Energy Consumers Coalition (VECC) filed a late request for intervenor status and cost eligibility. VECC noted that it was approved as an intervenor in Atikokan Hydro's last cost of service application, EB-2016-0056.

No objection to VECC's request was received from Atikokan Hydro.

VECC is approved as an intervenor. The list of parties in this proceeding is attached as Schedule A to this Procedural Order. The OEB finds that VECC is eligible to apply for an award of costs under the OEB's <u>Practice Direction on Cost Awards</u>.

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.

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.

Intervenor Budget Pilot

VECC is advised that this application is part of the OEB intervenor budget pilot. The budget for each cost eligible intervenor will be \$20,000. Further details on this pilot are set out in the OEB's 2025 Filling Requirements <u>letter</u> issued on April 11, 2024.

Very Small Utility Pilot

Parties are advised that this application is part of the OEB <u>Very Small Utility</u> (VSU) pilot that is aimed at reducing regulatory burden for electricity distributors with fewer than 5,000 customers in relation to major rate applications. Atikokan Hydro has approximately 1,600 customers. As explained below, this pilot involves a one-day Issues Meeting and any settlement conference will be facilitated by an OEB Commissioner.

Issues Meeting

The OEB is scheduling a one-day Issues Meeting prior to the discovery process where Atikokan Hydro, VECC and OEB staff 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 Atikokan Hydro, VECC and OEB staff 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 <u>Issues List</u> 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 Atikokan Hydro 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.

Interrogatories

The OEB is scheduling time for written interrogatories for any issues included on the approved Interrogatory Issues List. In preparing interrogatories, parties 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 VECC 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

Parties are advised that the settlement conference will be facilitated by an OEB Commissioner as a substitute for an external facilitator.

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.

Section 9 of the *Practice Direction on Settlement Conferences*¹ (Practice Direction) sets out the role of a settlement conference facilitator. Those expectations will apply equally

¹ Ontario Energy Board Practice Direction on Settlement Conferences, Section 9, p. 3

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.²

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.

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 15, 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 Atikokan Hydro intends to file, a proposed Issues List, a proposed Interrogatory Issues List if agreed to by all parties, and any alternative case schedules proposed by the parties by **January 20, 2025**.
- 3. OEB staff and VECC shall request any additional relevant information and documentation from Atikokan Hydro 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 29, 2025**.

² 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.

- 4. Atikokan Hydro shall file with the OEB complete written responses to all interrogatories and serve them on VECC by **February 12, 2025**.
- 5. A settlement conference amongst the parties and OEB staff will be convened on **February 24, 2025**, starting at 9:30 a.m. If necessary, the settlement conference will continue on **February 25 and 26, 2025**. This will be a virtual event and information on how to participate will be provided in advance.
- 6. If there is no settlement proposal arising from the settlement conference, Atikokan Hydro shall file a statement to that effect with the OEB by **March 4**, **2025**. In that event, parties shall file with the OEB and serve on the other parties by **March 6**, **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 20, 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.
- 8. Unless it becomes a party to the settlement conference, any submission from OEB staff on a settlement proposal shall be filed with the OEB and served on all parties by **March 27, 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 <u>Rules of Practice and Procedure</u>.

Please quote file number, **EB-2024-0008** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the <u>OEB's online filing portal</u>.

- 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 <u>Regulatory Electronic Submission System (RESS)</u> <u>Document Guidelines</u> found at the <u>File documents online page</u> on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet <u>set up an account</u>, or require assistance using the online filing portal can contact <u>registrar@oeb.ca</u> for assistance.

Cost claims are filed through the OEB's online filing portal. Please visit the <u>File</u> 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 <u>Practice Direction on Cost Awards</u>.

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, Petar Prazic at Petar.Prazic@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, **December 16, 2024**

ONTARIO ENERGY BOARD

By delegation, before: Nancy Marconi

Nancy Marconi Registrar

SCHEDULE A PROCEDURAL ORDER NO. 1 ATIKOKAN HYDRO INC.

EB-2024-0008

DATED: December 16, 2024

Atikokan Hydro Inc. EB-2024-0008

APPLICANT & LIST OF INTERVENORS

December 16, 2024

APPLICANT Rep. and Contact Information for Service

Atikokan Hydro Inc. **Jennifer Wiens**

CEO/Secretary/Treasurer

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INTERVENORS Rep. and Contact Information for Service

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