



**EB-2012-0064**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by Toronto  
Hydro-Electric System Limited for an order approving  
just and reasonable rates and other charges for  
electricity distribution to be effective June 1, 2012,  
May 1, 2013 and May 1, 2014.

**ISSUES LIST DECISION**  
and  
**PROCEDURAL ORDER NO. 7**  
**October 17, 2013**

Toronto Hydro-Electric System Limited (“THESL”) filed an application with the Ontario Energy Board on May 10, 2012, under section 78 of the *Ontario Energy Board Act*, 1998, and the Board’s Incentive Regulation Mechanism framework seeking approval for changes to the rates that THESL charges for electricity distribution, to be effective June 1, 2012, May 1, 2013 and May 1, 2014. The Board issued a Notice of Application and Hearing dated June 27, 2012.

**Issues List Decision**

Procedural Order No. 6 contained a draft Phase 2 Issues List that was developed by the Board using THESL’s proposed list as the starting point. Procedural Order No. 6 made provision for initial written submissions by all parties followed by reply submissions from all parties on any contested issues. Submissions on the draft Phase 2 Issues List were received from Board staff, Energy Probe Research Foundation (“Energy Probe”), the School Energy Coalition (“SEC”), the Vulnerable Energy Consumers Coalition (“VECC”) and THESL.

The Board has considered all submissions in establishing a final Phase 2 Issues List. This is attached as Appendix A.

With the exceptions noted below, the draft Phase 2 Issues List attached to Procedural Order No. 6 addresses the comments received from Board staff, intervenors, and THESL and represents the Board's approved Issues List for Phase 2 of this proceeding.

The exceptions are as follows.

The Board finds that, as suggested by THESL, issue 1 should read "Is THESL's interpretation of the Phase 1 Partial Decision and Order of April 2, 2013 appropriate as it relates to Phase 2 of this proceeding?" This revision is accepted as the Board does not intend in Phase 2 of this proceeding to rehear matters of general principle that were determined in Phase 1.

The Board will add Energy Probe's proposed additional issue, but will limit its scope.

In adding this issue, the Board wishes to clarify that it does not intend in Phase 2 of this proceeding to rehear matters of general principle that have already been decided in Phase 1. For example, for a project segment that has already been approved, such as B1 Underground Infrastructure, the Board does not intend to revisit the appropriateness of THESL making expenditures in this category, but will review THESL's 2014 spending proposals for this segment and the 2014 updated information filed in support of these spending proposals. Where there are no material changes to the segments, the Board does not intend to rehear the overall justification for the segment. The new issue is within scope of the Phase 2 proceeding only where there have been significant changes to the project segment. For these project segments, the review of business cases and consultants' reports are within scope of this issue. Intervenors will also be able to call expert evidence to challenge THESL's evidence on these matters.

The Board will make no other modifications to the draft Phase 2 issues list for the reasons which follow:

The Board does not believe that any modifications to Issue 2 to reflect the concerns raised by Board staff are necessary, as THESL has stated its acceptance that this issue encompasses the issue of concern to Board staff.

SEC submitted that Issue 4 “Is THESL’s interpretation of the ICM Monitoring and Tracking Requirements accurate?” should be amended to read “Is THESL’s proposed ICM Monitoring and Tracking Requirements appropriate?”

The Board finds that no changes to this issue are necessary as the Board does not intend to reopen the ICM Monitoring and Tracking Requirements established in Phase 1. The Board intends to deal only with any interpretational issues that may arise with respect to the requirements already established.

Issue 6 relates to rate implementation issues, including the disposition of the smart meter accounts currently before the Board as a stand-alone application. The Board does not believe that any modifications to this issue are necessary, but wishes to clarify for parties that the Board does not intend to join the two applications, but only to bring the smart meter application together with this proceeding for purposes of implementation.

### **Procedural Order No. 7**

The Board will make provision at this time for written interrogatories. The Board reminds parties that interrogatories must reference the pre-filed evidence and, in accordance with Chapter 1 of the Filing Requirements, parties must sort their interrogatories and responses by issues. Parties must use a continuous numbering system to facilitate subsequent referencing of the interrogatories, as described in Chapter 1 of the Filing Requirements. Parties shall use the same acronyms for labelling interrogatories as were used in Phase 1 of this proceeding.

The Board notes that THESL requested a written process for Phase 2 of this proceeding in its Phase 2 application filing of August 19, 2013 and reiterated this request in its September 30, 2013 submission on the Draft Phase 2 Issues List. The Board, however, is of the view that an oral process would be most helpful to it in considering THESL’s Phase 2 requests and, accordingly, will hold an oral hearing on these matters.

The Board recognizes that there is a need to proceed as expeditiously as possible in holding such a hearing and will require both Board staff and intervenors to state whether or not it is their intention to file evidence when they file their interrogatories.

The Board considers it necessary to make provision for the following matters related to this proceeding. Please be aware that this procedural order may be amended, and further procedural orders may be issued from time to time.

**THE BOARD ORDERS THAT:**

1. Board staff seeking information and material that is in addition to THESL's pre-filed evidence, and that is relevant to the hearing, shall request the same by written interrogatories filed with the Board and delivered to THESL and all intervenors on or before **October 24, 2013**. Board staff should also state by this date or before whether or not it intends to file evidence.
2. Intervenors seeking information and material that is in addition to THESL's evidence, and that is relevant to the hearing, shall request the same by written interrogatories filed with the Board and delivered to THESL and all intervenors on or before **October 31, 2013**. Intervenors should also state by this date or before whether or not they intend to file evidence.
3. Responses by THESL to interrogatories shall be filed with the Board and delivered to all parties on or before **November 21, 2013**.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

All filings to the Board must quote the file number, EB-2012-0064, be made through the Board's web portal at [www.pes.ontarioenergyboard.ca/eservice/](http://www.pes.ontarioenergyboard.ca/eservice/) and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.ontarioenergyboard.ca/OEB/Industry](http://www.ontarioenergyboard.ca/OEB/Industry). If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

With respect to distribution lists for all electronic correspondence and materials related

to this proceeding, parties must include the Case Manager, Martin Davies at [martin.davies@ontarioenergyboard.ca](mailto:martin.davies@ontarioenergyboard.ca) and Board Counsel, Michael Millar at [michael.millar@ontarioenergyboard.ca](mailto:michael.millar@ontarioenergyboard.ca).

**ADDRESS**

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4  
Attention: Board Secretary

E-mail: [boardsec@ontarioenergyboard.ca](mailto:boardsec@ontarioenergyboard.ca)  
Tel: 1-888-632-6273 (Toll free)  
Fax: 416-440-7656

**DATED** at Toronto October 17, 2013

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

**APPENDIX A**

**TO PROCEDURAL ORDER NO.7**

**EB-2012- 0064**

**Toronto Hydro-Electric System Limited**

**DATED: October 17, 2013**

# **TORONTO HYDRO-ELECTRIC SYSTEM LIMITED**

**EB-2012-0064**

## **Approved Final Phase 2 Issues List**

1. Is THESL's interpretation of the Phase 1 Partial Decision and Order of April 2, 2013 appropriate as it relates to Phase 2 of this proceeding?
2. Are the IRM Model filings by THESL, including the tax sharing proposal for 2014, in accordance with the Board's requirements and, if not, are any proposed departures adequately justified?
3. Is THESL's application of the ICM criteria appropriate?
4. Is THESL's interpretation of the ICM Monitoring and Tracking Requirements accurate?
5. Are THESL's proposed 2014 ICM Rate Riders, comprised of approved 2012 and 2013 expenditures and proposed 2014 expenditures, appropriate?
6. Are THESL's proposals relating to rate implementation, including the disposition of the smart meter accounts, currently before the Board as a stand-alone application, appropriate for the year 2014?
7. For proposed capital projects which have changed significantly since Phase 1 of this proceeding, has THESL provided sufficient evidence including consultant reports, business cases and consideration of alternatives, to adequately justify them?