

# ONTARIO

## ENERGY

BOARD

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| **FILE NO.:** | EB‑2012-0064 |  |
| **VOLUME:****DATE:****BEFORE:** | **11****December 19, 2013****Marika Hare****Ken Quesnelle****Cathy Spoel** | **Presiding Member****Member****Member** |

**EB-2012-0064**

#### THE ONTARIO ENERGY BOARD

**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.

Hearing held at 2300 Yonge Street,

25th Floor, Toronto, Ontario,

on Thursday, December 19th, 2013,

commencing at 10:31 a.m.

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VOLUME 11

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 BEFORE:

 MARIKA HARE Presiding Member

 KEN QUESNELLE Member

 CATHY SPOEL Member

RICHARD LANNI Board Counsel

MARTIN DAVIES Board Staff

TED ANTONOPOULOS

FRED CASS Toronto Hydro-Electric System

ROB BARRASS Limited (THESL)

AMANDA KLEIN

SHELLEY GRICE Association of Major Power Consumers of Ontario (AMPCO)

DAVID MacINTOSH Energy Probe Research Foundation

MARK RUBENSTEIN School Energy Coalition (SEC)

[--- On commencing at 10:31 a.m. 1](#_Toc375214997)

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[--- Recess taken at 10:39 a.m. 4](#_Toc375215000)

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[DECISION 5](#_Toc375215002)

[--- Whereupon the hearing adjourned at 10:53 a.m. 5](#_Toc375215003)

 NO EXHIBITS WERE FILED IN THIS PROCEEDING.

 NO undertakings WERE FILED IN THIS PROCEEDING.

 Thursday, December 19, 2013

 --- On commencing at 10:31 a.m.

 MS. HARE: Please be seated.

 Good morning. The Board is sitting today to receive the settlement agreement from Toronto Hydro and parties to that settlement agreement. This is for 2014 rates. It is Phase 2 of docket number 2012-0064. It's Phase 2, in that Phase 1 dealt with years 2012 and 2013, and this case deals with 2014 only.

 We apologize for the delay in starting. We thought that the fire alarm was disruptive, but, on the other hand, not knowing what's going to happen, let's get underway.

 May I have appearances, please.

Appearances:

 MR. CASS: Thank you, Madam Chair. Fred Cass, for Toronto Hydro, and with me are Rob Barrass on my left and Amanda Klein on my right.

 MS. HARE: Good morning.

 MR. RUBENSTEIN: Good morning, Panel. My name is Mark Rubenstein, for the School Energy Coalition. I've been asked to put in an appearance for Shelley Grice, of AMPCO.

 MR. MacINTOSH: Good morning. David MacIntosh, for Energy Probe.

 MS. HARE: Thank you.

 MR. MILLAR: Good morning, Madam Chair, members of the Panel. Michael Millar, counsel for Board Staff. I'm joined by Ted Antonopoulos and Martin Davies.

 MS. HARE: Thank you.

 Mr. Cass, are you going to walk us through the agreement?

 MR. CASS: I was going to do that at a high level, Madam Chair.

 MS. HARE: Yes, that's fine.

Presentation of the Settlement Agreement by Mr. Cass:

 MR. CASS: Take a few minutes to do that, if you don't mind.

 I think the Board received the document yesterday afternoon and perhaps has had a chance to look through it. As the Board would have seen, the settlement involve all of what I would describe the active parties in the proceeding - active being those intervenors who asked interrogatories - as well as the applicant.

 All of these participating parties from the settlement conference have agreed on the settlement agreement that is in front of the Board. It is a complete settlement of all of the seven issues that were in the Board's approved issues list in accordance with I think what is a fairly standard practice.

 The document has a preamble and overview that sets out some general provisions of the parties' agreement. It also has issue-by-issue explanation of the settlement of each of the seven issues.

 In this particular case, pinpoint footnote references have been used for the supporting --

 [Fire alarm sounds]

 MR. CASS: Carry on?

 MS. HARE: Please carry on.

 MR. CASS: So I was just indicating that in this particular settlement agreement, as the Board will have seen, the evidence supporting the settlement of each issue has been set out with pinpoint footnote references. As I'm sure the Board has seen many times, there will be a block of evidentiary references under each issue, but in this instance it seemed to be possible to actually pinpoint the items of evidence that support each settlement, and all parties believe that those items of evidence do in fact support the settlements under each issue.

 The Board will also have seen that there are five appendices to the document, and just very quickly, appendix A is the 2014 IRM models, and that ties back to the wording the Board will see under issue 2 of the settlement agreement.

 The Board will see there that there was an agreement reached on updating the parameters for the IRM models, and that's been reflected in appendix A.

 Appendix B is information with respect to the ICM materiality threshold. That was also an element of the specific agreement under the issues in the document. The Board will see that in issue 3, that there was a specific agreement reached with respect to the manner of calculating the ICM materiality threshold. So that's the linkage there.

 And the remaining appendices are at appendix C, the ICM work forms for Copeland transformer station. The Board will remember and will have seen from the evidence that the Bremner transformer station was a specific aspect of the Board's approval in Phase 1 of the proceeding. Bremner is now known as Copeland, as the Board would have seen from the evidence.

 So in the attachments to the settlement agreement, the ICM work forms have been broken out with Copeland in appendix C, and then in appendix D is the non-Copeland part of the work forms. So that's what the Board can see in those appendices.

 And then the final appendix -- that's appendix E -- is the tariff sheets in support of the settlement.

 So I didn't intend to go through the operative wording under each issue, Madam Chair, any more than that. I certainly can do my very best to answer any questions, but that's sort of a high-level view of the agreement that the parties have come to, and the parties present it to the Board with the request that the Board accept it.

 MS. HARE: I only have one very short question, and it's with respect to issue 3 and the agreement to hold a seminar on the structure and use of its feeder investment model, and it specifically says to intervenors. I assume that Board Staff would be invited to that as well?

 MR. CASS: Yes, Madam Chair.

 MS. HARE: Thank you. We have no further questions. So we will now take a ten-minute, maybe 15-minute break, and come back with our decision. Thank you.

 --- Recess taken at 10:39 a.m.

 --- On resuming at 10:51 a.m.

DECISION

 MS. HARE: The Board accepts the settlement agreement as filed. The tariff sheets are approved subject to any decision arising from the smart meter application, EB-2013-0287. The Board intends to issue a final rate order incorporating both of these decisions in due course.

 We would like to deal with the cost award schedule at this time as well. Cost award filings will be due from intervenors on January 7th. Toronto Hydro will have until January 21 to file any objection to the cost awards. And reply from any party that has had an objection will be due January 28th. Are there any other matters?

 MR. CASS: No, Madam Chair. Thank you very much.

 MS. HARE: Thank you. And happy holidays to everybody.

 --- Whereupon the hearing adjourned at 10:53 a.m.