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BY EMAIL and RESS

January 8, 2016
Our File: EB20150141

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2015-0141 – Motion to R&V Decision EB-2013-0416/247 – SEC Correspondence

We are counsel to the School Energy Coalition (“SEC”). We have received correspondence from Carriers seeking an order to exclude Hydro One Supplementary Evidence. While SEC trusts Hydro One will respond to the status of the Supplementary Evidence, we write to express considerable disagreement with the Carriers on their view of the scope of the proceeding.

The Carriers’ position that the “use of actual or forecast cost inputs by Hydro One in setting the Pole Attachment rate is entirely inappropriate in the context of this proceeding” is wholly incorrect. It is SEC’s view that these are exactly the costs inputs that should be used in setting the Pole Attachment Rate. The cost inputs that should be used are the ones that have been approved in the context of the EB-2013-0416 proceeding. The CCTA methodology does not require historical costs as suggested by the Carriers. It only prescribes which costs should be included. While historical data was used in CCTA proceeding, it was not mandated. It was used because of the unique circumstances of an application for a province-wide rate, only after the rate set by the CRTC on the same evidence was overturned years later, on appeal to the Supreme Court of Canada, based on lack of jurisdiction.¹ Accepting the Carriers’ interpretation of the CCTA decision shall once again lead to a cross-subsidization between distribution ratepayers and pole attachers, as the former will be based on 2015-2017 forecast costs, while the latter will be based on lower 2012 historical costs.

The fact that 2012 data was used by Hydro One in the original application is no bar to the Board considering different data. If the Carriers are allowed on one hand to argue that more appropriate inputs should be used, so should other parties.

¹ *Barrie Public Utilities v. Canadian Cable Television Assn.*, [2003] 1 SCR 476

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Consistent with Procedural Order No. 3, the Motion to Review is aimed at ensuring that the correct Pole Attachment Rate is approved – one that is just and reasonable. That may include a higher rate than was originally approved in EB-2013-0416.

The argument that forecast not historical data is a more appropriate cost input should not come as a surprise to the Carriers, who led by Rogers, were confronted with the same arguments made by SEC and other ratepayer intervenors in the recent Hydro Ottawa proceeding (EB-2015-0004).

All of which is respectfully submitted.

Jay Shepherd P.C.

Original signed by

Mark Rubenstein

cc: Wayne McNally, SEC (by email)
All parties (by email)