



Milton Hydro Distribution Inc.

**Application for electricity distribution rates and other
charges beginning January 1, 2023**

**PROCEDURAL ORDER NO. 1
June 6, 2022**

Milton Hydro Distribution Inc. (Milton Hydro) filed a cost of service application with the Ontario Energy Board (OEB) on April 18, 2022, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Milton Hydro charges for electricity distribution, beginning January 1, 2023.

A Notice of Hearing was issued on May 3, 2022. Each of O.J.L. Shewchun, the Consumers Council of Canada (CCC), the School Energy Coalition (SEC), and the Vulnerable Energy Consumers Coalition (VECC) applied for intervenor status. CCC, SEC and VECC also applied for cost eligibility.

Intervention Request of O.J.L. Shewchun

By letter dated May 20, 2022, O.J.L. Shewchun, applied for intervenor status. Ms. Shewchun stated that she is a member of the Nassagaweya Community Consultation Committee (NCCC) and that her interest in this proceeding relates to the proposed rate increase and to follow up on matters that were raised with Milton Hydro as part of the customer engagement process and were expected to be addressed in this application. Ms. Shewchun also noted that she has not been able to locate Milton Hydro's response to the issues that were raised as part of the customer engagement process.

On May 26, 2022, Milton Hydro filed a letter objecting to Ms. Shewchun's intervention request and noted that Ms. Shewchun has not demonstrated that she has a "substantial interest" in this proceeding within the meaning of Rule 22.02 of the OEB's *Rules of Practice and Procedure*. Milton Hydro noted that it is not clear if Ms. Shewchun is applying on behalf of NCCC because Ms. Shewchun has not provided any information on the NCCC's membership, its mandate or evidence that she is authorized or appointed by the NCCC for the purpose of intervening in this proceeding. With respect to Ms. Shewchun's concerns related to the proposed rate increase, Milton Hydro noted

that Ms. Shewchun has not adequately explained her interest and it is not clear if NCCC members are customers of Milton Hydro. Milton Hydro suggested that Ms. Shewchun's interests can be effectively addressed by other intervenors who regularly participate in Milton Hydro rate applications and have also applied to intervene in this hearing.

On June 1, 2022, Ms. Shewchun filed a letter responding to Milton Hydro's objection and provided additional information about the NCCC and her interest in this proceeding. Ms. Shewchun noted that the NCCC was formed in 1996 and includes "representatives from the community, local and regional councillors, police and fire departments. NCCC is involved in local projects, hosting local meetings and concerned residents bring issues to the Committee who advocate on their behalf." Ms. Shewchun noted that she is a member of the NCCC and has previously advocated at local and regional councils. Ms. Shewchun also noted that the members of the NCCC plan to meet in the near future to discuss the Milton Hydro's application and the proposed rate increase.

Ms. Shewchun noted that her interest in this proceeding relates to the customer engagement survey, reason for the proposed rate increase and its impact on residents and businesses and consideration of alternatives. Ms. Shewchun also noted that "These perspectives can only be brought forward by the local community and hydro customers, who are familiar with past and present events and issues surrounding this increase. I cannot think of anyone more qualified to have a "substantial interest" than from community input from Milton Hydro customers who will be most impacted by this submission."

The OEB is not satisfied that Ms. Shewchun is authorized to intervene on behalf of the NCCC in this matter. It is unclear from the information provided whether Ms. Shewchun has been formally appointed to represent or advocate on behalf of the NCCC. Where an individual claims to represent the interests of other individuals or businesses, evidence (e.g. a letter from the NCCC that is duly signed by the head of the NCCC) should be provided to support this.

The OEB will, however, approve Ms. Shewchun as an intervenor in her capacity as a customer of Milton Hydro. The OEB notes that, as a Milton Hydro customer, Ms. Shewchun will be directly affected by the outcome of this proceeding and will bring a local perspective to any issues under consideration.

Intervention Requests of CCC, SEC and VECC

CCC noted that it represents electricity consumers and its interest in this proceeding relate to the proposed revenue requirement, cost allocation and rate design and the disposition of certain deferral and variance account balances. SEC noted that it is a frequent intervenor representing member school boards and its interest in this

proceeding relate to Milton Hydro's revenue forecasts and proposed revenue deficiency, capital spending plans, cost allocation, rate design, benchmarking, reliability and customer engagement results. VECC noted that it is a frequent intervenor, representing vulnerable consumers on energy issues and its interest in this proceeding relate to Milton Hydro's capital and operations, maintenance and administration budgets and revenue to cost ratios.

Milton Hydro did not raise an objection to the intervention requests of CCC, SEC or VECC.

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

Cost eligible intervenors 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.

Confidentiality Request

By letter dated April 26, 2022, Milton Hydro requested confidential treatment for certain information contained in the following documents:

1. 24/7 System Control Room & Operations Business Case (Exhibit 2, Attachment 2-2 Distribution System Plan 2023-2027)
2. Building Renovations Business Case (Exhibit 2, Attachment 2-2 Distribution System Plan, Appendix A)
3. Cresa's Strategic Facility Plan (Exhibit 2, Attachment 2-2 Distribution System Plan, Appendix I)
4. Bringing Disallowed Space Into Rate Base Business Case (Exhibit 2, Attachment 2-1)
5. IT Strategy & Roadmap Report (Exhibit 2 Attachment 2-2 PricewaterhouseCoopers' IT Strategy & Roadmap Report (PwC Report))

In accordance with the OEB's [Practice Direction on Confidential Filings](#) (Practice Direction), Milton Hydro filed redacted copies of the documents. Copies of the un-redacted documents were filed separately in confidence.

Confidentiality Request for Items 1, 2, 3 and 4.

Milton Hydro argues that items 1, 2, 3 and 4 contain information that if disclosed could pose security-related risks to the operation of Milton Hydro's distribution system. Milton Hydro stated that the security-related information includes information on the proposed location of Milton Hydro's control room and is consistent with the types of information that have previously been treated as confidential by the OEB.

Parties that wish to object to the confidentiality requests for items 1-4 should follow the timeline and process in sections 5.1.6 and 5.1.7 of the Practice Direction.

Request to Withdraw Item 5 (the PwC Report)

With respect to item 5, on May 25, 2022, Milton Hydro filed a letter requesting to amend its application by withdrawing the original PwC Report and replacing it with a summary report titled, PwC IT Strategy & Roadmap Final Report Summary (PwC Summary Report). This request was made pursuant to Rule 11.01 of the OEB's [Rules of Practice and Procedure](#) which permits amendments to the evidentiary record where appropriate. Milton Hydro stated that the PwC Summary Report contains much of the same analysis and recommendations as in the original PwC Report. Milton Hydro noted that the PwC Summary Report does not contain any confidential information, thereby eliminating the need for the confidentiality request.

At this time, the OEB is making provision for intervenors or OEB staff to raise any objections to Milton Hydro's request to amend its application by withdrawing the original PwC Report and replacing it with the PwC Summary Report. No submissions on the confidentiality request for the original PwC Report (item 5) are needed at this time, pending the OEB's decision on whether to allow Milton's Hydro request to replace the original PwC Report with the PwC Summary Report.

Issues List

The OEB is making provision for the development of an issues list prior to the filing of interrogatories. Milton Hydro, OEB staff and the intervenors shall develop and OEB staff shall file a proposed issues list for the OEB's consideration.

Interrogatories

At this time, provision is also being made for written 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 Milton Hydro'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 Milton Hydro'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.

Parties should consult sections 26 and 27 of the OEB's [Rules of Practice and Procedure](#) regarding required naming and numbering conventions and other matters related to interrogatories.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

THE ONTARIO ENERGY BOARD ORDERS THAT:

Request to Withdraw PwC Report

1. Any objections from OEB staff and intervenors on Milton Hydro's request to withdraw the original PwC Report (item 5) and to replace it with the PwC Summary Report shall be filed with the OEB and served on all parties by **June 13, 2022**.
2. Any response from Milton Hydro to any objections of OEB staff and/or intervenors shall be filed with the OEB and served on all parties by **June 20, 2022**.

Issues List

3. OEB staff shall file a proposed issues list, or, alternatively, shall advise the OEB and all parties in writing that the parties and OEB staff have been unable to reach an agreement on a draft issues list by **June 17, 2022**.

Interrogatories

4. OEB staff and intervenors shall request any relevant information and documentation from Milton Hydro that is in addition to the evidence already filed, by written interrogatories filed with the OEB and served on all parties by **July 4, 2022**.
5. Milton Hydro shall file with the OEB complete written responses to all interrogatories and serve them on all parties by **July 25, 2022**

Settlement Conference

6. A settlement conference among the parties and OEB staff will be convened on **August 2, 2022**, and **August 3, 2022**, starting at 9:30 a.m. If necessary, the settlement conference will continue on **August 5, 2022**. This will be a virtual event and information on how to participate will be provided in advance of the conference. Guidance on the OEB's settlement conference process, including the rights and obligations of all participants, can be found in the [Practice Direction on Settlement Conferences](#).
7. **Within 72 hours** of the conclusion of the settlement conference, Milton Hydro shall file a letter with the OEB, and serve it on all parties, informing the OEB of the status of the settlement discussions including whether a tentative agreement has been reached or if the parties propose to continue the settlement discussions.
8. If there is no settlement proposal arising from the settlement conference, Milton Hydro shall file a statement to that effect with the OEB and serve it on all parties by **August 15, 2022**. In that event, parties shall file and serve on the other parties by **August 19, 2022** any submissions on which issues shall be heard in writing, and for which issues the OEB should hold an oral hearing.
9. If there is a settlement proposal arising from the settlement conference, such proposal shall be filed with the OEB and served on all parties by **August 26, 2022**. In addition to outlining the terms of any settlement, the settlement proposal should contain a list of any unsettled issues, indicating with reasons whether the parties believe those issues should be dealt with by way of oral or written hearing.
10. Any submission from OEB staff on a settlement proposal shall be filed with the OEB and served on all parties by **September 2, 2022**.

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-2022-0049** 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, Shuo Zhang at Shuo.Zhang@oeb.ca and OEB staff counsel, Lawren Murray at Lawren.Murray@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, **June 6, 2022**

ONTARIO ENERGY BOARD

By delegation, before: Nancy Marconi

Nancy Marconi
Registrar

SCHEDULE A
PROCEDURAL ORDER NO. 1
MILTON HYDRO DISTRIBUTION INC.
EB-2022-0049
APPLICANT & LIST OF INTERVENORS

**Milton Hydro Distribution Inc.
EB-2022-0049**

APPLICANT & LIST OF INTERVENORS

June 6, 2022

APPLICANT

Rep. and Address for Service

Milton Hydro Distribution Inc.

Dan Gopic

Director, Regulatory Affairs
Milton Hydro Distribution Inc.
200 Chisholm Drive
Milton, ON L9T 3G9

Tel: 416-819-6762

Fax: 905-876-2044

dangopic@miltonhydro.com

APPLICANT COUNSEL

Tim Pavlov

Torys LLP

79 Wellington St. W., 30th Floor
Box 270, TD South Tower

Toronto ON M5K 1N2

Tel: 416-865-8195 Ext: 3336

Fax: 416-865-7380

tpavlov@torys.com

INTERVENORS

Rep. and Address for Service

**Consumers Council of
Canada**

Julie Girvan

Consultant
Consumers Council of Canada
J. E. Girvan Enterprises
62 Hillside Ave. East

Toronto ON M4S 1T5

Tel: 416-322-7936

Fax: 416-322-9703

jgirvan@uniserve.com

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APPLICANT & LIST OF INTERVENORS

June 6, 2022

Independent Participant

O.J.L. Shewchun
Tel: 905-854-9871
mac8300sped1@yahoo.ca

School Energy Coalition

Ted Doherty
Executive Director
Ontario Education Services Corporation
c/o Ontario Public School Boards Association
439 University Avenue, Suite 1850
Toronto ON M5G 1Y8
Tel: 416-340-2540
Fax: 416-340-7571
SEC@oesc-cseo.org

Mark Rubenstein

Counsel
Shepherd Rubenstein Professional Corporation
2200 Yonge Street, Suite 1302
Toronto ON M4S 2C6
Tel: 647-483-0113
Fax: 416-483-3305
mark@shepherdrubenstein.com

Fred Zheng

Associate Lawyer
Shepherd Rubenstein Professional Corporation
2200 Yonge Street, Suite 1302
Toronto ON M4S 2C6
Tel: 647-483-0114
Fax: 416-438-3305
fred@shepherdrubenstein.com

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EB-2022-0049

APPLICANT & LIST OF INTERVENORS

June 6, 2022

**Vulnerable Energy
Consumers Coalition**

John Lawford

Counsel
Public Interest Advocacy Centre
2-285 McLeod Street
Ottawa ON K2P 1A1
Tel: 613-562-4002 Ext: 125
jlawford@piac.ca

Mark Garner

Consultant - Project Manager
Consultant
647 Broadway Avenue
Toronto ON M4G 2S8
Tel: 647-408-4501
markgarner@rogers.com

Bill Harper

Consultant
107 Baker Ave.
Richmond Hill ON L4C 1X5
Tel: 416-348-0193
bharper.consultant@bell.net