

June 20, 2022

RESS & EMAIL

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

Attention: Ms. Nancy Marconi, Registrar

Dear Ms. Marconi:

**Re: Milton Hydro Distribution Inc. (“Milton Hydro”)
EB-2022-0049: Cost of Service Rate Application for 2023 Electricity
Distribution Rates (“Application”) – Responding Submissions on
Withdrawal and Confidentiality Requests**

We are legal counsel to Milton Hydro in the above-referenced proceeding. Pursuant to Procedural Order No. 1, dated June 6, 2022, please find attached Milton Hydro’s responding submissions on withdrawal and confidentiality requests.

Yours truly,



Tim Pavlov

cc: All Parties
Dan Gagic, Milton Hydro

ONTARIO ENERGY BOARD

EB-2022-0049

2023 COST OF SERVICE RATE APPLICATION

RESPONDING SUBMISSIONS OF

MILTON HYDRO DISTRIBUTION INC.

ON WITHDRAWAL AND CONFIDENTIALITY REQUESTS

JUNE 20, 2022

1. INTRODUCTION

In accordance with Procedural Order No.1, issued on June 6, 2022 (“PO1”), these are Milton Hydro Distribution Inc.’s (“Milton Hydro”) responding submissions regarding its request, pursuant to Rule 11.01 of the OEB’s *Rules of Practice and Procedure* (“OEB Rules”), to amend the pre-filed evidence by withdrawing the original PwC Report and replacing it with a summary report titled, PwC IT Strategy & Roadmap Final Report Summary (“PwC Summary Report”) (“Withdrawal Request”). As part of these submissions, Milton Hydro also addresses OEB staff’s submissions in connection with Milton Hydro’s request for confidential treatment of information relating to the physical location of the proposed control room (“Security Sensitive Information”), contained in the pre-filed evidence (“Confidentiality Request”).

Submissions on the Withdrawal Request were filed by (i) School Energy Coalition (“SEC”) on June 8, 2022 and (ii) OEB staff and (iii) Ms. Shewchun¹ on June 13, 2022. OEB staff and Ms. Shewchun also made submissions on the Confidentiality Request in accordance with PO1.

For the reasons set out below, Milton Hydro submits that the OEB should reject SEC’s and Ms. Shewchun’s submissions and approve the Withdrawal Request and Confidentiality Request, as further amended below.

2. RESPONDING SUBMISSIONS

(i) *Withdrawal Request*

SEC mischaracterizes the application of Rule 11.01 of the OEB Rules by suggesting that it only allows for amendments to the evidentiary record, presumably where there is new or updated information, or potentially allow the withdrawal of information that was filed in error or is no longer accurate. Rule 11.01 is meant to be purposeful and to enable the OEB to administer its process to efficiently hear the application that is before it. There is nothing in Rule 11.01 that restricts its application only to new or updated information or to allow the withdrawal of information that was filed in error or is no longer accurate. OEB staff, in their submissions, agree with such interpretation and state that Rule 11.01 is a broad power that allows the OEB to permit an amendment to the evidentiary record on conditions the OEB considers appropriate.

SEC, in its submissions, makes a number of factually incorrect statements. In arguing that Milton Hydro is trying to withdraw relevant information from the record, SEC (i) states that Milton Hydro relies on the original PwC Report in support of material capital spending, including \$1.73M in the test year, and (ii) identifies certain areas in the original PwC Report that are purportedly not included or covered in the PwC Summary Report. SEC is incorrect for the following reasons. First, Milton Hydro did not include \$1.73M of capital spending in the test year. Milton Hydro’s capital spending associated with the IT related investments in 2023 is \$1.27M², of which \$1.19M falls

¹ Ms. Shewchun objected to the Withdrawal Request and adopted objections set out in SEC’s submissions.

² Exhibit 2, Attachment 2-2 Distribution System Plan, Capital Project Sheets, Appendix A, GP-3 Computer Software 2023-2027, 2023 total software capital expenditures - \$1,273,000.

within the scope of the PwC Report³. Furthermore, of \$1.19M of capital spending in 2023, only \$0.5M is being in-serviced in the test year⁴. Second, SEC incorrectly asserts that certain relevant information included in the original PwC report has been excluded from the PwC Summary Report. The PwC Summary Report contains the type of information identified by the SEC as being excluded. For example, (i) information regarding the approach PwC took is discussed on pages 5-6 and 8-12; (ii) key considerations when developing an IT roadmap and key findings are discussed on pages 11, 12 and 14-24; (iii) certain execution consideration is discussed on p. 8; and (iv) ERP selection and implementation approach is discussed on page 21. OEB Staff also found that materials that could have an impact on Milton Hydro's proposed 2023 distribution rates are included in the PwC Summary Report.

Milton Hydro submits that the Withdrawal Request is appropriate and should be approved by the OEB. The Summary PwC Report provides sufficient level detail required to assess Milton Hydro's proposed IT spending in 2023. In accordance with section 5.4.2.1 of Chapter 5 of Filing Requirements, the level of details contained in the Summary PwC Report is proportional to the materiality of the proposed investments. Milton Hydro's objective with the Withdrawal Request is to maximize the relevant information that is available on the public record. The PwC Summary Report contains the required level of relevant details that provides parties with a fair opportunity to present their positions and permit the OEB to provide well-documented public reasons for its decision.

(ii) Confidentiality Request

Milton Hydro set out the reasons for confidentiality treatment of the Security Sensitive Information in the Confidentiality Request. SEC did not make any submissions on the Confidentiality Request and Ms. Shewchun did not object to treating the Security Sensitive Information in confidence. OEB staff supports the Confidentiality Request. OEB staff further states that Milton Hydro did not provide reasons for requesting confidential treatment of the total proposed square footage of the control room and submits that this information should be disclosed on the public record without redactions. Milton Hydro inadvertently redacted the total square footage of the control room and will disclose this information on the public record without redactions upon receipt of the OEB decision on the Confidentiality Request.

³ 2023 Chapter 2 Appendices – App. 2-AA_Capital Projects, software capital expenditures within the scope of the PwC Report is \$1,187,033, comprised of the following (i) 2023 Enterprise Resource Planning (“ERP”) System – \$721,593, (ii) 2023 Robotic Process Automation Phase 1 – Discovery – \$120,000, (iii) 2023 Robotic Process Automation Phase 2 – Implementation – \$200,440, (iv) 2023 Software - FSR financial statement reporting tool – \$60,000, (v) 2023 Software – Accounts payable three-way match tool – \$45,000, (vi) 2023 Software – Revenue Dollar and Statistical Data Warehouse – \$25,000, (vii) 2023 Software – FME for GIS – \$15,000.

⁴ 2023 Chapter 2 Appendices – App. 2-AA_Capital Projects, in-service capital additions within the scope of the PwC Report is \$465,440, comprised of the following: (i) 2023 Robotic Process Automation Phase 1 – Discovery - \$120,000, (ii) 2023 Robotic Process Automation Phase 2 – Implementation – \$200,440, (iii) 2023 Software - FSR financial statement reporting tool – \$60,000, (iv) 2023 Software – Accounts payable three-way match tool – \$45,000, (v) 2023 Software – Revenue Dollar and Statistical Data Warehouse – \$25,000, (vi) 2023 Software – FME for GIS - \$15,000.

~All of which is respectfully submitted~