

Milton Hydro Distribution Inc.

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

**Decision on Confidentiality and Issues List
June 29, 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. The OEB issued Procedural Order No. 1 which approved the intervenors in this proceeding, directed parties to develop an issues list for the OEB's consideration, and made provision for intervenors and OEB staff to raise any objections to Milton Hydro's confidentiality request.

Issues List

On June 17, 2022, OEB staff filed a proposed issues list which was agreed to by all parties. Further, parties requested that the OEB waive the requirement under rule 26.02(e)(ii) of the Rules of Practice and Procedure that the interrogatories correspond to the issues list. OEB staff advised the OEB that parties want to file interrogatories according to the exhibit numbers in the application.

OEB staff also advised that parties may wish to propose additional matters for inclusion on the issues list after the receipt of interrogatory responses from Milton Hydro.

Findings

The OEB has reviewed the proposed issues list and approves it for the purposes of this proceeding.

The OEB has considered the request to file interrogatories according to exhibit numbers and approves the request for this proceeding.

The OEB may update the issues list as necessary to define the scope of the proceeding.

Confidentiality Requests and Related Request to Amend Evidentiary Record

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.

Milton Hydro stated 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 explained 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.

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) pursuant to Rule 11.01 of the OEB's [Rules of Practice and Procedure](#). 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.

Summary of Submissions

Confidentiality Request for Items 1, 2, 3 and 4

OEB staff is the only party who made submissions on Milton Hydro's confidentiality request for items 1, 2, 3 and 4.

OEB staff supported Milton Hydro's redactions of information on the physical location of Milton Hydro's control room based on security concerns. However, OEB staff noted that included in the redacted information is the total proposed square footage of the control room. OEB staff submitted that Milton Hydro should disclose the proposed total square footage of the control room, as it was unclear how this number would pose a security-related risk.

In its reply, Milton Hydro stated that it inadvertently redacted the total square footage of the control room and will disclose this information on the public record (removing the redactions) upon receipt of the OEB decision on the confidentiality request.¹

Findings

The OEB accepts Milton Hydro's confidentiality request for Items 1, 2, 3 and 4 on the basis of security-related risks. This finding is consistent with past precedent where the OEB has found that the location of utility control rooms should be confidential.² The OEB further agrees that the square footage of the control room should be disclosed on the public record. Milton Hydro acknowledged that the redaction of the square footage was inadvertent and is amenable to disclosing the square footage of the control room.

Request to Withdraw Item 5 (the PwC Report)

OEB staff and the School Energy Coalition (SEC) made submissions on Milton Hydro's request of replacing the original PwC Report with the PwC Summary Report. Ms. Shewchun supported the objections set out in SEC's submission.

SEC objected the request to withdraw the original PwC Report. SEC noted that it has not been given an opportunity to review the unredacted original PwC report, but based on section and page headings, SEC submitted that the redacted portions, which contains the confidential information not included in the PwC Summary Report, is relevant to the application. SEC identified information, including the approach PwC took and key considerations when developing and IT roadmap, that in its view is relevant to the issues to be decided in the application. SEC also submitted that the intent of Rule 11.01 is to allow 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.

¹ EB-2022-0049, Milton Hydro Reply Submission on Withdrawal and Confidentiality Requests, June 20, 2022, page 3.

² EB-2019-0261, Hydro Ottawa Limited 2021-2025 Custom IR Application, Decision on Confidentiality, July 28, 2020.

OEB staff did not oppose the request to replace the original PwC Report with the PwC Summary Report. OEB staff noted that some information included in the original PwC Report that was not identified as confidential information was also excluded in the PwC Summary Report. However, OEB staff submitted that materials that could have an impact on Milton Hydro's proposed 2023 distribution rates are still included in the PwC Summary Report. Specifically, such information contains the eight prioritized IT initiatives, a high-level three-year capital and operating cost estimate, a breakdown of external cost estimate and internal resourcing requirement.

On the scope of Rule 11.01, OEB staff submitted that this is a broad power that allows the OEB to permit an amendment to the evidentiary record "on conditions the OEB considers appropriate".

In its reply, Milton Hydro submitted that SEC mischaracterized the application of Rule 11.01. Milton Hydro stated that 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.

Milton Hydro submitted that SEC's submissions made a number of factually incorrect statements. Milton Hydro stated that the PwC Summary Report contains the type of information identified by the SEC as being excluded. Milton Hydro's submission provided examples of such information.

Milton Hydro submitted that the PwC Summary Report provides sufficient level detail required to assess Milton Hydro's proposed IT spending in 2023 and that the withdrawal request is appropriate and should be approved by the OEB.

Findings

The OEB accepts the withdrawal of the PwC Report (which nullifies the confidentiality request for that document) and accepts Milton Hydro's request to amend its application by withdrawing the original PwC Report and replacing it with the PwC Summary Report. The OEB has broad powers under Rule 11.01 for an evidentiary amendment where appropriate. In this situation, the OEB finds that the PwC Summary Report contains sufficient information for the OEB to set Milton Hydro's 2023 distribution rates.

Declaration and Undertaking from Ms. Shewchun

On June 13, 2022, Ms. Shewchun filed a submission requesting access to all confidential information. Ms. Schewchun stated the confidential information is required to do an adequate analysis of Milton Hydro's application. With respect to the location of the control room (Items 1, 2, 3 and 4), Ms. Shewchun's submission noted that the

location will impact costs.³ On June 16, 2022, Ms. Shewchun filed a Declaration and Undertaking. On June 21, 2022, Milton Hydro filed a letter with respect to the Declaration and Undertaking filed by Ms. Shewchun. Milton Hydro noted its concern that Ms. Shewchun is not a counsel, an expert or a consultant for a party. Furthermore, Milton Hydro stated that the form of Undertaking signed by Ms. Shewchun is not a modified version of the Undertaking, contemplated in section 6.1.3 of the Practice Direction.

Milton Hydro's letter also requested that:

...the OEB to confirm whether it accepts the unamended form of the Undertaking as filed by Ms. Shewchun on June 16, 2022. If the OEB accepts the Undertaking, Milton Hydro further requests the OEB to confirm whether (i) the Undertaking filed by Ms. Shewchun will have the same legal weight and protection as in the case of counsel, expert or consultant for a party, including OEB's ability to impose sanctions on Ms. Shewchun in the case of violation of her Undertaking or whether, if warranted, other conditions of acceptance should apply related to Ms. Shewchun's access to confidential material in the proceeding.⁴

Findings

The approved confidential redactions for the location of the control room are security-related in nature (Items 1, 2, 3 and 4). With the withdrawal of the PwC Report (Item 5) and replacement by the PwC Summary Report, the number of proposed redactions to the evidentiary base is reduced. The PwC Summary Report is available to the public in its entirety.

The OEB does not have any concerns with the modified form of Declaration and Undertaking filed by Ms. Shewchun, as a customer of Milton Hydro. Ms. Shewchun has agreed to be bound by all the substantive requirements of the OEB's standard Declaration and Undertaking. The only part deleted is the reference to the signatory being a counsel of record or consultant for an intervenor, which is appropriate given that she is representing her own interests in this proceeding.

³ EB-2022-0049, Ms. Shewchun Submission, June 12, 2022.

⁴ EB-2022-0049, Milton Hydro Letter Declaration and Undertaking from Ms. Shewchun, June 21, 2022, page 1.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The approved Issues List is attached to this Decision as Schedule A.
2. The original PwC Report shall be removed from the record of this proceeding.

DATED at Toronto, **June 29, 2022**

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A

APPROVED ISSUES LIST

Milton Hydro Distribution Inc.

EB-2022-0049

JUNE 29, 2022

APPROVED ISSUES LIST
EB-2022-0049
Milton Hydro Distribution Inc. (Milton Hydro)

1.0 PLANNING

1.1 Capital

Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:

- customer feedback and preferences
- productivity
- benchmarking of costs
- reliability and service quality
- impact on distribution rates
- trade-offs with OM&A spending
- government-mandated obligations
- the objectives of Milton Hydro and its customers
- the distribution system plan
- the business plan

1.2 OM&A

Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:

- customer feedback and preferences
- productivity
- benchmarking of costs
- reliability and service quality
- impact on distribution rates
- trade-offs with capital spending
- government-mandated obligations
- the objectives of Milton Hydro and its customers
- the distribution system plan
- the business plan

2.0 REVENUE REQUIREMENT

2.1 Are all elements of the revenue requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?

2.2 Has the revenue requirement been accurately determined based on these elements?

3.0 LOAD FORECAST, COST ALLOCATION AND RATE DESIGN

- 3.1** Are the proposed load and customer forecast including the application of Conservation and Demand Management savings, loss factors, and resulting billing determinants appropriate, and to the extent applicable, are they an appropriate reflection of the energy and demand requirements of Milton Hydro's customers?
- 3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 3.3** Are Milton Hydro's proposals, including the proposed fixed/variable splits, for rate design appropriate?
- 3.4** Are the proposed Retail Transmission Service Rates and Low Voltage rates appropriate?
- 3.5** Are the Specific Service Charges, Retail Service Charges, and Pole Attachment Charge appropriate?

4.0 ACCOUNTING

- 4.1** Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?
- 4.2** Are Milton Hydro's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for discontinuation of accounts, and the continuation of existing accounts, appropriate?

5.0 OTHER

- 5.1** Is the proposed effective date (i.e., January 1, 2023) for 2023 rates appropriate?
- 5.2** Is the proposal of bringing the respective disallowed capital costs and OM&A costs, associated with the office building at 200 Chisholm Drive, back into the determination of 2023 revenue requirement appropriate?

The OEB may update the issues list as necessary to define the scope of the proceeding.