



EB-2007-0063

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF applications by electricity
distribution companies for approval of a smart meter
rate adder;

AND IN THE MATTER OF a combined proceeding
initiated by the Ontario Energy Board pursuant to
sections 19(4), 21(1), 21(5) and 78(3.03) of the *Ontario
Energy Board Act*, 1998 to determine issues related to
the recovery of costs incurred by distributors and
associated with authorized discretionary metering
activities.

PROCEDURAL ORDER NO. 1

In January and February of 2007, twelve licensed distributors authorized to conduct discretionary metering activities filed applications pursuant to section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15 (Schedule B) (the "Act") for the approval of distribution rates, which applications included a smart metering rate adder to be effective as of May 1, 2007. These distributors are Chatham-Kent Hydro Inc., Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, Hydro One Brampton Networks Inc., Hydro One Networks Inc., Hydro Ottawa Limited, Middlesex Power Distribution Corporation, Milton Hydro Distribution Inc., PowerStream Inc., Tay Hydro Electric Distribution Co. Inc., Toronto Hydro-Electric System Limited, and Veridian Connections Inc.

The Board has issued individual Notices for these distribution rate applications, which provided notice for a combined proceeding and hearing relating to smart meters. The

Board also issued a Decision and Order for each of the twelve licensed distributors approving a smart metering rate adder, continuing the variance accounts previously authorized by the Board, and reiterating that the Board will be holding a combined proceeding, as indicated in the notice of application, to consider, among other things, appropriate recovery of smart meter costs.

On March 26, 2007, the Board received an application from Toronto Hydro-Electric System Limited pursuant to section 78 of the Act for rate adjustments related to smart metering activities and Conservation and Demand Management ("CDM") activities. The Board will consider the adjustments related to smart metering activities in this Combined Proceeding. The Board will consider those aspects of the application related to CDM in a separate proceeding to commence June 21 as indicated in the Procedural Order issued May 18, 2007.

On May 2, 2007, the Board issued a further Notice of a Combined Proceeding pursuant to sections 19, 21 and 78 of the Act to determine the prudence and recovery of costs associated with smart metering activities for the twelve licensed distributors referred to above, and a thirteenth licensed distributor, Newmarket Hydro Limited, that has been authorized by regulation to conduct discretionary metering activities. The thirteen licensed distributors are listed in Appendix A to this Procedural Order. These distributors are deemed to be applicants in the Combined Proceeding.

The Board recognizes that not all the deemed applicants have had the opportunity to reply to all intervention requests submitted to the Board. The list of parties attached at Appendix B may therefore be subject to change if the Board receives objections to the intervention requests.

Issues

In this proceeding, the Board will consider the recovery of smart meter costs relating to functionality that does not exceed the minimum functionality adopted in Ontario Regulation 425/06 (Criteria and Requirements for Meters and Metering Equipment, Systems and Technology) made under the *Electricity Act, 1998*. These costs are costs to install, and operate a fully functioning system comprised of, and including related hardware, software and connectivity for, the following:

- smart meter(s) for residential and small general service consumers where the metering of demand is not required;
- advanced metering communication device(s) (“AMCD”);
- local area network (“LAN”);
- advanced metering regional collector (“AMRC”), if required;
- advanced metering control computer (“AMCC”); and
- wide area network (“WAN”).

Applicants will therefore be required to address the following issues:

1. What are the applicant’s costs relating to the minimum functionality adopted in Ontario Regulation 425/06?
2. Have these costs been prudently incurred?

The Board will not, in this proceeding, consider the recovery of costs relating to functionality that exceeds the minimum functionality as defined above or the recovery of costs associated with meter data functions. The Board will consider cost recovery for these matters in the applicants’ applications for 2008 rates and may establish a generic hearing for that purpose.

THE BOARD ORDERS THAT:

1. A list of parties (applicants and intervenors) is attached as Appendix B to this Order.
2. An Issues Conference, involving all parties (applicants and intervenors) will be convened to:
 - develop a proposed Issues List for presentation to the Board; and
 - develop mandatory filing requirements for the thirteen applicants that will aid in the most expeditious and appropriate disposition of the proceeding.

A proposed Issues List setting out issues that (a) the parties agree should be on the list; and (b) issues that are contested will be presented to the Board following the Issues Conference.

The Issues Conference will be convened in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto on Friday, May 25, 2007 at 9:30 a.m. Monday, May 28, 2007 will be held as a reserve day should it be required.

3. An Issues Day will take place on Thursday, May 31, 2007 at 9:30 a.m. in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto, at which time the Board will hear submissions with respect to any contested issues. Friday, June 1, 2007 will be held as a reserve day should it be required.
4. Applicants shall file their evidence on or before Friday, June 8, 2007.
5. The evidentiary phase, including oral argument, of the oral hearing will commence at 9:30 a.m. on Friday, June 15, 2007 at 2300 Yonge Street, Toronto in the Board's hearing room on the 25th Floor. The hearing is scheduled to proceed for 10 days.

6. All parties shall file their submissions with the Board Secretary, 10 hard copies and one electronic copy in searchable PDF format at boardsec@gov.on.ca , by 4:30 p.m. on the date indicated, and copy all parties.

DATED at Toronto, May 18, 2007

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

**APPENDIX A
COMBINED PROCEEDING – EB-2007-0063
LIST OF APPLICANTS**

DISTRIBUTOR	RATE APPLICATION FILE NUMBER
Chatham-Kent Hydro Inc.	EB-2007-0517
Enersource Hydro Mississauga Inc.	EB-2007-0523
Horizon Utilities Corporation	EB-2007-0538
Hydro One Brampton Networks Inc.	EB-2007-0541
Hydro One Networks Inc.	EB-2007-0542
Hydro Ottawa Limited	EB-2007-0544
Middlesex Power Distribution Corporation	EB-2007-0553
Milton Hydro Distribution Inc.	EB-2007-0555
Newmarket Hydro Ltd.	EB-2007-0557
PowerStream Inc.	EB-2007-0573
Tay Hydro Electric Distribution Co Inc.	EB-2007-0578
Toronto Hydro-Electric System Limited	EB-2007-0582
Veridian Connections Inc.	EB-2007-0583

**APPENDIX B
COMBINED PROCEEDING – EB-2007-0063
LIST OF PARTIES**

May 18, 2007

NAMED PARTIES

CONTACT INFORMATION

- | | |
|--|--|
| 1. Chatham-Kent Hydro Inc.
EB-2007-0517 | Chatham-Kent Hydro Inc.
320 Queen Street
P.O. Box 70
Chatham, ON N7M 5K2
Attn: David Kenney, President
Tel: 519-352-6300
Fax: 519-352-9860
E-mail: davekenney@ckhydro.com |
| 2. Enersource Hydro Mississauga Inc.
EB-2007-0523 | Enersource Hydro Mississauga Inc.
3240 Mavis Road
Mississauga, ON L5C 3K1
Attn: Kathi Litt, Rates & Regulatory
Tel: 905-283-4247
Fax: (905)566-2737
E-mail: klitt@enersource.com |
| 3. Horizon Utilities Corporation
EB-2007-0538 | Horizon Utilities Corporation
55 John Street North
P.O. Box 2249, Station LCD 1
Hamilton ON L8N 3E4
Attn: Cameron McKenzie, Director
Regulatory Affairs
Tel: 905-317-4785
Fax: 905-552-6570
E-mail: chmckenzie@hamiltonhydro.com |
| 4. Hydro One Brampton Networks Inc.
EB-2007-0538 | Hydro One Brampton Networks Inc.
175 Sandalwood Pkwy West
Brampton, ON L7A 1E8
Attn: Scott Miller
Regulatory Affairs Manage
Tel: 905-840-6300
Fax: 905-840-0967
E-mail: smiller@hydroonebrampton.com |

5. **Hydro One Networks Inc.**
EB-2007-0541
- Hydro One Networks Inc.
8th Floor, South Tower
483 Bay Street
Toronto, ON M5G 2P5
Attn: Glen MacDonald
Senior Advisor – Regulatory Affairs
Tel: 416-345-5913
Fax: 416-345-5866
E-mail: regulatory@HydroOne.com
6. **Hydro Ottawa Limited**
EB-2007-0542
- Hydro Ottawa Limited
3025 Albion Road N., P.O. Box 8700
Ottawa, ON K1G 3S4
Attn: Paul Hughes, Corporate Secretary
and General Counsel
Tel: 613-738-5499
Fax: 613-738-5486
E-mail: paulhughes@hydroottawa.com
7. **Middlesex Power Distribution Corporation**
EB-2007-0544
- Middlesex Power Distribution Corporation
351 Frances Street
Strathroy, ON N7G 2L7
Attn: Dave Kenney, President
Tel: 519-352-6300
Fax: 519-351-4059
E-mail: davekenney@ckhydro.com
8. **Milton Hydro Distribution Inc.**
EB-2007-0555
- Milton Hydro Distribution Inc.
55 Thompson Road South
P.O. Box 189
Milton, ON L9T 6P7
Attn: Don Thorne, President & CEO
Tel: 905-876-4611
Fax: 905-876-2044
E-mail: donthorne@miltonhydro.com
9. **PowerStream Inc.**
EB-2007-0573
- PowerStream Inc.
2800 Rutherford Road
Vaughan, ON L4K 2N9
Attn: Paula Conboy, Director of
Regulatory & Government Affairs
Tel: 905-417-6900
Fax: 905-303-2006
E-mail: paula.conboy@powerstream.ca

10. **Tay Hydro Electric Distribution Co. Inc.**
EB-2007-0578
- Tay Hydro Electric Distribution
Company Inc.
489 Finlayson Street, P.O. Box 160
Port McNicoll, ON L0K 1R0
Attn: Jim Crawford, President
Tel: 705-534-7281
Fax: 705-534-4470
E-mail: Jim@tayhydro.com
- M. Philip Tunley
Stockwoods LLP
Suite 2512 - 150 King Street West
Toronto ON M5H 1J9
Tel: 416 593-3495
Cell: 647 500-3495
Fax: 416 593-9345
E-mail: philt@stockwoods.ca
11. **Toronto-Hydro-Electric Systems Limited**
EB-2007-0582
- Toronto Hydro-Electric System Limited
Regulatory Services, 6th Floor
14 Carlton Street
Toronto, ON M5B 1K5
Attn: Colin McLorg, Manager
Regulatory Affairs
Tel: 416-542-2513
Fax: 416-542-2776
E-mail: regulatoryaffairs@torontohydro.com
- Mr. J. Mark Rodger
Borden Ladner Gervais LLP
Scotia Plaza
40 King Street West
Toronto ON M5H 3Y4
Tel: 416 367-6190
Fax: 416 361-7088
Email: mrodger@blgcanada.com
12. **Veridian Connections Inc.**
EB-2007-0583
- Veridian Connections Inc.
55 Taunton Road East
Ajax, ON L1T 3V3
Attn: George Armstrong, Manager of
Regulatory Affairs & Key Projects
Tel: 905-427-9870
Fax: 905-619-0210
E-mail: garmstrong@veridian.on.ca

13. **Newmarket Hydro Ltd.**
EB-2007-0557

Newmarket Hydro Ltd.
590 Steven Court
Newmarket, ON L3Y 6Z2
Attn: Gaye-Donna Young
Chief Operating Officer
Tel: 905-953-8548
Fax: 905-895-8931
E-mail: nmhydro@nmhydro.on.ca

Attn: Iain Clinton
Chief Financial Office
Tel: 905-953-8548, ext 2300
Fax: 905-895-8931
Email: iclinton@nmhydro.ca

AND

M. Philip Tunley
Stockwoods LLP
Suite 2512 - 150 King Street West
Toronto, ON M5H 1J9
Tel: 416 593-3495
Cell: 647 500-3495
Fax: 416 593-9345
E-mail: philt@stockwoods.ca

INTERVENORS

CONTACT INFORMATION

1. **Consumers Council of Canada
(the “Council”)**

Mr. Robert B. Warren
Counsel for Consumers Council of Canada
WeirFoulds LLP
Barristers & Solicitors
The Exchange Tower, Suite 1600
P.O. Box 480
130 King Street West
Toronto ON M5X 1J5
Tel: 416-947-5075
Fax: 416-365-1876
Email: rwarren@weirfoulds.com

AND

Ms. Julie Girvan
Consultant for the Council
2 Penrose Road
Toronto ON M4S 1P1
Tel: 416-322-7936
Fax: 416-322-9703
Email: jgirvan@ca.inter.net

2. **Direct Energy Marketing Inc.
(Direct Energy)**

Ms. Christine Dade
Manager, Government & Regulatory Affairs
– Eastern Canada
Direct Energy
2225 Sheppard Avenue East
Toronto ON M2J 5C2
Tel: 416 758-8700
Fax: 416 758-4272
Email: Christine.Dade@directenergy.com

3. **Electricity Distributors Association
(EDA)**

Mr. Maurice Tucci
Senior Analyst
Electricity Distributors Association
370 Steeles Avenue West
Suite 1100
Vaughan ON L4L 8K8
Tel: 905 265-5300
Fax:: 905 265-5301
Email: mtucci@eda-on.ca

4. **Enbridge Electric Connections Inc.
(EECI)** Mr. Allen Maclure
Director Administration
Enbridge Electric Connections Inc.
30 Leek Crescent
Suite 103
Richmond Hill ON L4B 4N4
Tel: 905 747-5572
Fax: 905 881-1732
Email: allen.maclure@enbridge.com

AND

Dennis M. O'Leary
Aird & Berlis LLP
Barristers and Solicitors
BCE Place, Suite 1800
Box 754, 181 Bay Street
Toronto ON M4J 2T9
Tel: 416 865-4711
Fax: 416 863-1515
Email: doleary@airdberlis.com

5. **Energy Cost Management Inc.
(ECMI)** Mr. Roger White
President
Energy Cost Management Inc.
1236 Sable Drive
Burlington ON L7S 2J6
Tel: 905 639-7476
Fax: 905 639-1693
Email: rew@worldchat.com

6. **Energy Probe Research Foundation
(Energy Probe)** Mr. Thomas Adams
c/o Energy Probe
225 Brunswick Ave.
Toronto ON M5S 2M6
Tel: 416 964-9223 ext. 239
Fax: 416 964-8239
Email: TomAdams@nextcity.com

AND

Mr. David MacIntosh
c/o Energy Probe
225 Brunswick Ave.
Toronto ON M5S 2M6
Tel: 416 964-9223 ext. 235
Fax: 416 964-8239
Email: DavidMacIntosh@nextcity.com

7. **Grimsby Power Incorporated**

Mr. Brian Weber
President
Grimsby Power Incorporated
231 Roberts Road
Grimsby ON L3M 5N2
Tel: 905-945-5437 ext 221
Fax: 905-945-9933
Email: brianw@grimsbypower.com

8. **Power Workers Union (PWU)**

Mr. John Sprackett
Staff Officer, President's Office
Power Workers' Union
244 Eglinton Avenue East
Toronto ON M4P 1K2
Tel: 416 322-4787
Fax: 416 481-7914
Email: sprocket@pwu.ca

AND

Ms. Judy Kwick
Senior Consultant
Elenchus Research Associates (ERA)
34 King Street East, Suite 610
Toronto ON M5C 2X8
Tel: 416 348-8777
Fax: 416 348-9930
Email: jkwik@era-inc.ca

AND

Mr. Richard Stephenson
Paliare Roland
250 University Avenue, Suite 510
Toronto ON M5H 3E5
Tel: 416 646-4325
Fax: 416 646-4335
Email: Richard.Stephenson@paliareroland.com

9. **Rogers Cable Communications Inc.
(Rogers Cable)**

Mr. John Armstrong
Manager, Municipal & Utility Relations
234 Newkirk Road
Richmond Hill ON L4C 3S5
Tel: 905 780-7077
Fax: 905 780-7110
Email: john.armstrong@rci.rogers.com

AND

Ms. Paula Zarnett
BDR NorthAmerica Inc.
34 King Street East
Suite 1000
Toronto ON M5C 2X8
Tel: 416 214-4848 ext 26
Fax: 416 214-1643
Email: pzarnett@bdrenergy.com

AND

Mr. Robert Frank/ Ms. Heather Landymore
MacLeod Dixon LLP
Toronto Dominion Centre
Canadian Pacific Tower
100 Wellington Street W.
Suite 500
P.O. Box 128
Toronto ON M5K 1H1
Tel: 416 202-6741 (Robert)
Tel: 416 202-6702 (Heather)
Fax: 416 360-8277
Email: robert.frank@macleoddixon.com
Email: heather.landymore@macleaddixon.com

10. **School Energy Coalition
(Schools)**

Mr. Bob Williams
Co-ordinator
Ontario Education Services Corporation
c/o. Ontario Public School Boards'
Association
439 University Avenue, 18th Floor
Toronto ON M5G 1Y8
Tel: 416 340-2540
Fax: 416 340-7571
Email: bwilliams@opsba.org

AND

Mr. Jay Shepherd
Counsel
Shibley Righton LLP
Barristers and Solicitors
250 University Avenue, Suite 700
Toronto ON M5H 3E5
Tel: 416 214-5224
Fax: 416 214-5424
Email: jay.shepherd@shibleyrighton.com

AND

Ms. Rachel Chen
Institutional Energy Analysis, Inc.
250 University Avenue, Suite 700
Toronto ON M5H 3E5
Tel: 416 214-5298
Fax: 416 214-5498
Email: Rachel.chen@ieai.ca

11. **Union**

Mr. Pat McMahon
Manager, Regulatory Research and
Records
Union Gas Limited
50 Keil Drive North
Chatham ON N7M 5K2
Tel: 519 436-5325
Fax: 519 436-4641
Email: pmcmahon@uniongas.com

12. **Vulnerable Energy Consumer's
Coalition (VECC)**

Mr. Michael Buonaguro
Counsel
Vulnerable Energy Consumer's Coalition
c/o Public Interest Advocacy Centre
34 King Street East, Suite 1102
Toronto ON M5C 2X8
Tel: 416 767-1666
Fax: 416 348-0641
Email: mbuonaguro@piac.ca

AND

Mr. Roger Higgin
Econalysis Consulting Services
34 King Street East, Suite 1102
Toronto ON M5C 2X8
Tel: 416 348-9391
Fax: 416 348-0641
Email: rhiggin@econalysis.ca

13. **Mr. Harvey Houle**

Mr. Harvey Houle
Box 192
Utterson ON P0B 1M0

14. **Mrs. Avic Kirchlechner**

Mrs. Avic Kirchlechner
8011 Thomas Street
Niagara Falls ON L2G 6T3
Tel: 905 295-4983