



EB-2009-0096

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

AND IN THE MATTER OF an application by Hydro One
Networks Inc. for an order or orders approving or fixing just
and reasonable distribution rates and other charges to be
effective January 1, 2011.

BEFORE: Cynthia Chaplin
Acting Chair and Presiding Member

Paul Sommerville
Member

2011 DISTRIBUTION RATE ORDER DECISION

On July 13, 2009, Hydro One Networks Inc. (“Hydro One”) filed an application with the Ontario Energy Board (the “Board”) under section 78 of the Ontario Energy Board Act, 1998; S.O. c.15, Schedule B, for an order or orders approving or fixing just and reasonable rates for the distribution of electricity for 2010, effective May 1, 2010; and for 2011 distribution rates, effective January 1, 2011.

The Board issued its Decision on the application on April 9, 2010. In the Decision, the Board ordered Hydro One to file a draft 2010 Rate Order reflecting the Board’s findings in the Decision. The Board approved an implementation date and an effective date of May 1, 2010.

Hydro One filed a draft Rate Order and supporting material, including 2 draft customer rate notices, on April 16, 2010. The Board issued the Hydro One Distribution 2010 Rate Order on April 29, 2010, approving Hydro One’s distribution rates effective May 1, 2010.

On November 29, 2010, Hydro One filed a draft 2011 Rate Order and supporting material (including 2 draft customer rate notices) for distribution rates effective January 1, 2011. The draft 2011 Rate Order implemented the Board's findings for 2011 in this proceeding and included adjustments for updated cost of capital parameters, updated long-term debt costs based actual debt issued in 2009 and 2010, and the inclusion of \$1.5 million for Low-Income Energy Assistance Program funding. Procedural Order No. 5, issued on November 30, 2010 provided for Board staff and intervenors to file comments on the draft 2011 Rate Order by December 7, 2010.

The Board received submissions from VECC, Energy Probe and Board staff indicating that they had no comments regarding the draft 2011 Rate Order.

The Board has reviewed the information provided in support of the draft 2011 Rate Order and the proposed Tariff of Rates and Charges. The Board is satisfied that the 2011 Tariff of Rates and Charges filed by Hydro One accurately reflects the Board's Decision. However, the Board will not approve the \$1.5 million Low-Income Energy Assistance Program for recovery in the 2011 rate year. The Board is not permitting IRM filers to claim this category of expense in mid-term, and therefore is not prepared to allow Hydro One to do so in the second year of its two year rate program.

THE BOARD ORDERS THAT:

1. Hydro One file a revised draft Rate Order reflecting the removal of the proposed \$1.5 million Low-Income Energy Assistance Program funding from the rate recovery, no later than Tuesday, December 21, 2010.

ISSUED at Toronto, December 16, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary