December 2, 2011

Board Staff
Ontario Energy Board
Suite 2701
2300 Yonge Street
Toronto ON M4P 1E4

Re: Renewed Regulatory Framework for Electricity
Board File Nos.: EB-2010-0377, EB-2010-0378, EB-2010-0379, EB-2011-0043 and EB-2011-0004/
Question and Answer Session

We enclose written questions from the Consumers Council of Canada for the December 8 and 9, 2011 Staff Information Session.

Yours very truly,

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File 10606

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QUESTIONS FROM THE CONSUMERS COUNCIL OF CANADA

BOARD STAFF DISCUSSION PAPER ON DISTRIBUTION NETWORK INVESTMENT PLANNING (EB-2010-0377) - DATED NOVEMBER 8, 2011

1. (P. 1) The Paper states, "This consultation process will lead to the formulation of Board policies in relation to network planning, rate mitigation and network utility performance. Any amendments to Board documents (e.g., filing requirements) that may be required or desirable to give effect to the policies would be addressed subsequently. Please explain, in detail, the process the Board will follow in terms of formulating policies arising out of this consultation and making amendments to Board documents.

2. (P. 5) With respect to optimizing distribution infrastructure investment the paper refers to a "multi-year investment plan that maximizes stakeholder value." What is meant by "stakeholder value"?

3. (p. 8) The Council sees merit in combining, at least some of the various Board instruments set out that set out distribution filing requirements. What is Board Staff's perspective on combining the "Filing Requirements for Transmission and Distribution Applications" and "The Filing Requirements: Distribution System Plans - Filing under Deemed Conditions of Licence"?

4. (p. 13) What is Board's Staff's view as to whether the Distributors' Asset Management Plans should be subject to a standardized format, in effect, subject to all of the same filing requirements?

REPORT ON A METHODOLOGY TO ESTIMATE THE BILL IMPACTS OF ELECTRICITY DISTRIBUTOR NETWORK INVESTMENT PLANS - POWER ADVISORY LLC - DATED JUNE 17, 2011

1. Is it possible to provide stakeholders with the Terms of Reference for the Power Advisory Study?

2. How does Power Advisory define "network investment plans"? How does this compare to what is traditionally referred to as "capital expenditures" "OM&A expenditures" or "asset management plans"?
1. (P.1) With respect to regional planning please explain what is meant by the following: "that a coordinated solution is desirable as allowing for a consideration of broader needs and for involvement by a larger set of stakeholders". What is the "larger set of stakeholders" and how are their needs to be assessed?

2. (P.3) What is the intended output of this process? Will it involve changes to Board guidelines, Code changes, filing requirements, or something else, or will those be changed in a subsequent process? Please identify all of the regulatory instruments that will, or may be impacted by this process?

3. (p.4) How will the OPA's regional planning processes be integrated with this Board process?

4. (P.3) With respect to optimizing Infrastructure investment the paper states that in terms of transmitters, a specific objective for achieving this goal (prudent and cost-effective investments in the electricity system by transmitters and distributors provide consumers with a reliable and sustainable supply of electricity at a reasonable cost) is that the expansion of the transmission system should proceed in an economically prudent manner. How does the Board achieve this goal given the fact that Hydro One and the Board are often directed by the Government to proceed with specific projects?

5. (P.32) Board Staff has referred to regional plans and proposed Filing Requirements. How does Board Staff propose the interests of transmission and distribution customers be considered and addressed in the planning process? How does Board Staff propose that the costs of these planning processes be recovered?

6. (PP.42-52) Board Staff has identified a number of options for cost responsibility policies in relation to load connections. Which option does Board Staff believe best balances the protection of consumer interests, economic efficiency and regulatory predictability and administrative efficiency?
1. Is Board Staff proceeding on an assumption that all utilities in Ontario necessarily require "significant levels of investment for the renewal of assets to maintain appropriate service levels and system reliability and to connect new generation"? If so, what is the basis for that assumption?

2. The paper refers to a 'Mitigation Framework'. Has the Board or Board Staff considered the fact that one way in which to mitigate the rate and bill impacts on utility customers is to promote and incent cost containment. Has this been considered as one of the potential mitigation tools to be considered in the context of a mitigation framework? Was Navigant instructed to look at ways for utilities to contain their costs? The paper appears to be proceeding on the premise that utility costs are going up and there is no way to mitigate those increased costs, rather the only alternative is to look to ways to "mitigate" the impact of the increased costs on customers.

3. The paper states that, "Staff believe that the Board's statutory responsibility is best fulfilled, and its statutory objectives in relation to electricity are best promoted, using an outcomes-based approach with multi-year rate setting." What does Board Staff mean when it refers to an "outcomes-based approach" in the context of mitigation?

4. As part of its approach to determining a mitigation framework does the Board intend to work with all of the entities responsible for the various components of the bill, namely the Ontario Power Authority, the Ministry of Energy, and the Ontario Financing Authority?

1. The paper refers to the development of the next incentive regulation plan. When does the Board expect to develop that plan?

2. Please provide a list of all potential "outputs" and an "outcomes" for an electricity distributor.
3. (P. 43) With respect to financial penalties please indicate if any utilities in Ontario have been subject to financial penalties and under what circumstances.