



Halton Hills Hydro Inc.

**Application for electricity distribution rates and other
charges beginning May 1, 2016**

DECISION ON ISSUES LIST

January 28, 2016

Halton Hills Hydro Inc. (HHHI) filed a complete cost of service application with the Ontario Energy Board (OEB) on October 2, 2015 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that HHHI charges for electricity distribution, to be effective May 1, 2016.

Procedural Order No. 1 made provision for the establishment of an issues list subsequent to the filing of interrogatory responses. On January 26, 2016, OEB staff filed a letter advising the OEB that the parties to the proceeding were unable to reach an agreement on a draft issues list. While the intervenors supported the filing of a proposed issues list that followed the recently approved issues list in the Milton Hydro Distribution Inc. proceeding (EB-2015-0089), HHHI did not. Specifically under section 1.0 Planning, and for both subsections 1.1 Capital and 1.2 OM&A:

The intervenors proposed:

- compatibility with historical expenditures
- compatibility with applicable benchmarks

HHHI proposed:

- historical expenditures
- applicable benchmarks

The OEB has considered the positions of the parties to the HHHI proceeding, the approved issues list for the Milton Hydro Distribution Inc. proceeding, as well as the issues lists approved for other 2016 distribution rate cost of service proceedings.¹ The OEB has determined that the bullets in question, as listed above, will be replaced with “benchmarking of costs”. The approved issues list for this proceeding is attached as Schedule A.

As noted in Procedural Order No. 1, a Settlement Conference will be held from **February 1 to 3, 2016**.

ISSUED at Toronto, **January 28, 2016**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

¹ Entegrus Powerlines Inc. (EB-2015-0061), Guelph Hydro Electric Systems Inc. (EB-2015-0073), Wasaga Distribution Inc. (EB-2015-0107) and Waterloo North Hydro Inc. (EB-2015-0109)

**SCHEDULE A
TO
DECISION ON ISSUES LIST
HALTON HILLS HYDRO INC.**

**EB-2015-0074
JANUARY 28, 2016**

**APPROVED ISSUES LIST
EB-2015-0074
Halton Hills Hydro Inc.**

1. 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, and
- the objectives of the applicant and its customers.

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, and
- the objectives of the applicant and its customers.

2. 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. LOAD FORECAST, COST ALLOCATION AND RATE DESIGN

- 3.1** Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the number and energy and demand requirements of the applicant's customers?
- 3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios appropriate?
- 3.3** Are the applicant's proposals for rate design appropriate?
- 3.4** Are the proposed Retail Transmission Service Rates and Low Voltage Service Rates appropriate?

4. 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 the applicant's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, and the continuation of existing accounts appropriate?