



PUBLIC INTEREST ADVOCACY CENTRE  
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November 3, 2017

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319, 2300 Yonge Street  
Toronto, ON M4P 1E4

**VIA RESS & E-MAIL**

Dear Ms. Walli,

**Re: OEB File No. EB-2017-0024  
Alectra Utilities Corporation – Application for electricity distribution  
rates and other charges beginning January 1, 2018  
VECC Submission on Issues List**

In accordance with Procedural Order No. 2, in the absence of an agreement on the draft issues list subsequent to the settlement conference parties may make further submissions on the revised draft issues list attached as Schedule A to that Order. VECC believes the revised draft issues list is sufficient for the purpose of the proceeding, with some clarification.

Alectra has made accounting changes related to capitalization in the Horizon Rate Zone (HRZ). These changes have or will have an impact on the calculation of the earnings sharing mechanism. In VECC's view, this issue falls clearly under issue 1.1 of the revised list. In any event, the Settlement Agreement in Horizon Utilities' last cost of service proceeding, EB-2014-0002, contains the following provision:

*“Horizon Utilities also agrees that it will not make any material changes in accounting practices that have the effect of either reducing or increasing utility earnings unless otherwise directed to do so by the OEB, or by an accounting standards body and/ or provincial or federal government and approved by the OEB. Any such changes shall be noted at the time of any proposed ESM disposition.”*

Since these changes have been identified in the current proceeding, the Board must either approve or deny the proposed capitalization changes in the HRZ.

Moreover, while the Board has allowed parties to make submissions on future process in this proceeding on November 10, VECC wishes to make the following preliminary observations.

The Board has made a number of comments with respect to cost eligibility prior to the establishment of an issues list. While the issues on the revised draft list range in complexity, VECC assumes that the list incorporates only those matters which the Board believes are worth the time and effort of all participants – in other words, those issues which would be costs eligible. VECC asks that the Board provide clear direction on this matter if it considers otherwise.

Finally, this proceeding has not yet included any additional process to clarify interrogatories, in particular through a technical conference. As the Board is well aware, the settlement process – unless agreement is reached with all parties – is not in itself a forum for clarifying the public record. In VECC's view, a technical conference would both assist all parties in this proceeding and further expedite any future process.

Yours truly,



Alysia Lau  
Barrister & Solicitor | Counsel to VECC  
c/o Public Interest Advocacy Centre

**cc:** Indy J. Butany-DeSouza, Vice President Regulator Affairs, Alectra Utilities Corporation - [indy.butany@alecrautilities.com](mailto:indy.butany@alecrautilities.com);  
Parties to EB-2017-0024

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