

**Ontario Energy Board**  
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**BY E-MAIL**

August 17, 2018

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: PUC Distribution Inc. (PUC Distribution)  
2018 Distribution Rate Application  
Submission of Proposed Issues List  
OEB File No.: EB-2017-0071**

In accordance with Procedural Order No. 1, OEB staff advises the OEB that parties have come to an agreement regarding an issues list for PUC Distribution's 2018 distribution rate application. The proposed issues list is attached.

Yours truly,

*Original Signed By*

Andrew Frank  
Project Advisor – Major Applications

Attach.

cc: Andrew Belsito, PUC Distribution  
Jay Shepherd, School Energy Coalition  
Julie Girvan, Consumers Council of Canada  
Mark Garner, Vulnerable Energy Consumers Coalition

**Proposed Issues List  
EB-2017-0071  
PUC Distribution 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
- the objectives of the Applicant and its customers
- the distribution system plan, and
- the business plan.

**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
- the objectives of the Applicant and its customers
- the distribution system plan, and
- the business plan.

**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** Has the applicant appropriately applied the OEB's policy on residential rate design?

**3.5** Are the proposed Retail Transmission 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?

### **5. OTHER**

**5.1** Is the proposed effective date for 2018 rates appropriate?