Appendix A - Approved Issues List
Burlington Hydro Inc.
2014 Cost of Service Rate Application
EB-2013-0115

1. Foundation

1.1   Does the planning (regional, infrastructure investment, asset management etc.) undertaken by the applicant and outlined in the application support the appropriate management of the applicant's assets?

1.2   Are the customer engagement activities undertaken by the applicant commensurate with the approvals requested in the application?

2. Performance Measures

2.1   Does the applicant's performance in the areas of: (1) delivering on Board-approved plans from its most recent cost of service decision; (2) reliability performance; (3) service quality, and (4) efficiency benchmarking, support the application?

3. Customer Focus

3.1   Are the applicant's proposed capital expenditures and operating expenses appropriately reflective of customer feedback and preferences?

4. Operational Effectiveness

4.1   Does the applicant's distribution system plan appropriately support continuous improvement in productivity, the attainment of system reliability and quality objectives, and the level of associated revenue requirement requested by the applicant?

4.2   Are the applicant's proposed OM&A expenses clearly driven by appropriate objectives and do they show continuous improvement in cost performance?

4.3   Are the applicant's proposed operating and capital expenditures appropriately paced and prioritized to result in reasonable rates for customers, or is any additional rate mitigation required?

5. Public Policy Responsiveness

5.1   Do the applicant's proposals meet the obligations mandated by government in areas such as renewable energy and smart meters and any other government mandated obligations?

6.   Financial Performance

6.1   Do the applicant's proposed rates allow it to meet its obligations to its customers while maintaining its financial viability?

6.2   Has the applicant adequately demonstrated that the savings resulting from its operational effectiveness initiatives are sustainable?

7.   Revenue Requirement

7.1   Is the proposed Test year rate base including the working capital allowance reasonable?

7.2   Are the proposed levels of depreciation/amortization expense appropriately reflective of the useful lives of the assets and the Board`s accounting policies?

7.3   Are the proposed levels of taxes appropriate?

7.4   Is the proposed allocation of shared services and corporate costs appropriate?

7.5   Are the proposed capital structure, rate of return on equity and short and long term debt costs appropriate?

7.6   Is the proposed forecast of other revenues including those from specific service charges appropriate?

7.7   Has the proposed revenue requirement been accurately determined from the operating, depreciation and tax (PILs) expenses and return on capital, less other revenues?

8.   Load Forecast, Cost Allocation and Rate Design

8.1   Is the proposed load forecast, including billing determinants an appropriate reflection of the energy and demand requirements of the applicant?

8.2   Is the proposed cost allocation methodology including the revenue-to-cost ratios appropriate?

8.3   Is the proposed rate design including the class-specific fixed and variable splits and any applicant-specific rate classes appropriate?

8.4   Are the proposed Total Loss Adjustment Factors appropriate for the distributor's system and a reasonable proxy for the expected losses?

8.5   Is the proposed forecast of other regulated rates and charges including the proposed Retail Transmission Service Rates appropriate?

8.6 Is the proposed Tariff of Rates and Charges an accurate representation of the application, subject to the Board's findings on the application?

9. Accounting

9.1 Are the proposed deferral accounts, both new and existing, account balances, allocation methodology, disposition periods and related rate riders appropriate?

9.2 Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified, and is the treatment of each of these impacts appropriate?