



EB-2014-0073

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Festival Hydro
Inc. for an order approving just and reasonable rates and
other charges for electricity distribution to be effective
January 1, 2015.

**ISSUES LIST DECISION
September 25, 2014**

Festival Hydro Inc. ("Festival Hydro") filed a complete cost of service application with the Ontario Energy Board (the "Board") on May 30, 2014 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 Festival Hydro charges for electricity distribution, to be effective January 1, 2015.

Procedural Order No. 1 made provision for the establishment of an issues list subsequent to the filing of interrogatory responses.

Festival Hydro filed its interrogatory responses on August 27, 2014. To clarify any matters arising from the interrogatories, a transcribed Technical Conference was held September 11, 2014. Subsequent to the Technical Conference, parties conferred on and agreed to a proposed issues list for the Board's consideration. The Board has reviewed the proposed issues list and approves it for the purpose of this proceeding. The approved issues list is attached as Appendix A.

A Settlement Conference will be held among the parties and Board staff on **September 29 and 30, 2014**, as indicated in Procedural Order No. 1.

DATED at Toronto, September 25, 2014
ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX 'A'

Festival Hydro Inc.

EB-2014-0073

Approved Issues List

September 25, 2014

FINAL ISSUES LIST
EB-2014-0073
Festival 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 Base Revenue Requirement reasonable, and have they been appropriately determined in accordance with Board policies and practices?

2.2 Has the Base 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 energy and demand requirements of the applicant's customers?

3.2 Is 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 applicant's proposals regarding its fixed/variable ratios appropriate?

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, the continuation of existing accounts, and the two proposed new accounts, appropriate?

5. OTHER

5.1 Is the true-up of cost related to Festival Hydro's new 62MVA Transformer Station appropriate?

5.2 Is funding through an additional ICM funding adder appropriate?

5.3 Are the incremental capital amounts to be incorporated into rate base prudent?