

Oshawa PUC
2015-2019 Custom Distribution Rate Application
EB-2014-0101
Proposed Draft Issues List

1.0 Custom Application

- 1.1 Is the proposed method for setting rates for 2015 – 2019 appropriate and consistent with OEB policy, particularly with regard to the objectives and approaches described in the RRFE Report?
- 1.2 Will Oshawa PUC's application produce acceptable outcomes for existing and future customers (including, for example, cost control, system reliability, service quality, and bill impacts)?
- 1.3 Does the application adequately incorporate and reflect the four outcomes identified in the RRFE Report: customer focus, operational effectiveness, public policy responsiveness and financial performance?
- 1.4 Are Oshawa PUC's proposed off-ramps, annual adjustments and adjustments outside the normal course of business appropriate? Has Oshawa PUC demonstrated adequately its ability and commitment to manage within any rates set via this proceeding, given that actual costs and revenues will vary from those forecast?
- 1.5 Is the monitoring and reporting of performance proposed by Oshawa PUC adequate to demonstrate utility performance over the term of the plan?
- 1.6 Has Oshawa PUC responded appropriately to all relevant Board directions from previous proceedings, including commitments from prior settlement agreements?
- 1.7 Are the two proposed incentive mechanisms necessary and / or appropriate? Has the benefit to ratepayers of the incentive mechanisms been adequately demonstrated?

2.0 Distribution System Plan and Capital Expenditures

- 2.1 Is the Distribution System Plan adequate to demonstrate Oshawa PUC's planning rationale and customer responsiveness?
- 2.2 Is the level of planned capital expenditures for 2015 – 2019 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; and
- government-mandated obligations.

3.0 Operations, Maintenance and Administration Costs

3.1 Is the level of planned OM&A expenditures for 2015 – 2019 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; and
- government-mandated obligations.

4.0 Forecasts

4.1 Are the customer and load forecasts a reasonable reflection of the energy and demand requirements of the applicant for 2015 – 2019?

4.2 Are the proposed other operating revenues for 2015 – 2019 appropriate?

5.0 Revenue Requirement

5.1 Are all elements of the Base Revenue Requirement for 2015 – 2019 reasonable, and have they been appropriately determined in accordance with Board policies and practices?

5.2 Has the Base Revenue Requirement for 2015-2019 been accurately determined based on these elements?

6.0 Deferral and Variance Accounts

- 6.1 Should the existing deferral and variance accounts proposed for continuation be continued?
- 6.2 Are any proposed new deferral and variance accounts reasonable?
- 6.3 Are the balances and the proposed methods for disposing of the balances in the deferral and variance accounts appropriate?

7.0 Cost Allocation and Rate Design

- 7.1 Are the rate classes and their definitions proposed by Oshawa PUC appropriate?
- 7.2 Is the cost allocation proposed by Oshawa PUC for 2015 – 2019 appropriate?
- 7.3 Are the revenue-to-cost ratios for all rate classes over the 2015-2019 period appropriate?
- 7.4 Are the proposed fixed and variable charges for all rate classes over the 2015-2019 period appropriate?
- 7.5 Are the proposed charges for miscellaneous services over the 2015-2019 period reasonable?
- 7.7 Are the proposed line loss factors over the 2015-2019 period appropriate?
- 7.8 Are the proposed Retail Transmission Service Rates and Low Voltage service rates for 2015 – 2019 appropriate?
- 7.9 Are the rate and bill impacts over the 2015-2019 period acceptable?
- 7.10 Is the proposed rate-smoothing mechanism appropriate?

8.0 Implementation

- 8.1 Is the proposed effective date of January 1, 2015 appropriate?