

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

September 25, 2015

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

Dear Ms. Walli:

**Re: Hearst Power Distribution Ltd.  
2015 Distribution Rate Application  
Proposed Issues List  
Board File No. EB-2014-0080**

In accordance with Procedural Order No. 2, please find attached a proposed Issues List, which has the agreement of all parties in the proceeding.

Yours truly,

*Original Signed By*

Martha McOuat  
Project Advisor

Encl.

**PROPOSED ISSUES LIST**  
**EB-2014-0080**  
**Hearst Power Distribution Company Ltd.**

**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** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios appropriate?
- 3.3** Are the applicant's proposals, including the proposed fixed/variable split, for rate design appropriate?
- 3.4** Are the applicant's proposals to implement the Residential rate design change appropriate?
- 3.5** Are the proposed Retail Transmission Service Rates and Low Voltage 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. SMART METER COST RECOVERY**

- 5.1** Has the applicant appropriately calculated the cost of its smart meter program?
- 5.2** Are the applicant's proposals to allocate these costs to customers appropriate?

## **6. IMPLEMENTATION**

- 6.1** What would be an appropriate effective date for rates approved in this proceeding?