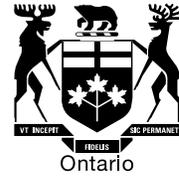


Ontario Energy Board
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

December 19, 2016

Alan Morin
Chapleau Public Utilities Corporation
110 Lorne Street South
P.O. Box 670
Chapleau ON P0M 1K0
cpuc@ontera.net

Dear Mr Morin:

**Re: Chapleau Public Utilities Corporation (Chapleau PUC)
Application for Rates
Board File Number EB-2015-0060**

A preliminary review of the application has identified that certain sections of the evidence supporting the application do not comply with the Ontario Energy Board's Filing Requirements¹ for cost of service applications and/or the associated spreadsheets, models and workforms. As a result, the OEB is unable to process Chapleau PUC's application at this time.

The missing information includes:

¹ Chapter 2 of the *Filing Requirements for Electricity Transmission and Distribution Applications*, dated July 16, 2015 and subsequent Board communications.

Chapter 2 Filing Requirement Reference (page #)	Description
9	Description of how objectives and business plan relate to the RRFE objectives and a description of how customer feedback is reflected in the application
11	No mention of residential rate design change and its impact in executive summary
10, 11 &59	Inconsistent bill impact tables, pages 43 and 41; there is no calculation of residential rate design impact on 10 th percentile consumption
7	Impact of IFRS change to OM&A not identified or explained
18 & 19	Opening and closing balances of fixed assets and depreciation not provided in Exhibit 2
20	Cost of power does not include SME charge
Chapter 5	DSP not complete – contains only the costs for voltage conversion project over the 5 year term. Further investments for maintaining the system over the 5 year period (as identified in Exhibit 2, page 36 for 2016 only) have not been included
32	Schedule of volumes, revenues customer/connection count and total system load: need to include OEB approved
33	Explanation of net change in average consumption from last OEB approved, and actual historical, bridge and test – for each rate class
33	Variance analysis of volumes and total system load: Hist. OEB-approved vs. hist. actual Hist. OEB-approved vs. hist. actual (weather normalized) Hist. actual vs. preceding hist. actual (weather normalized) Hist. actual vs. bridge (weather normalized) Bridge vs. test (weather normalized)
39	Regulatory costs – one-time costs for cost of service not separately identified or amortized over IRM period
63	Assessment of combined effect of rate design policy change and other impacts from rebasing – LDC must evaluate bill impact for residential customer at 10 th percentile. Describe methodology for determination of 10 th consumption percentile. File mitigation plan for whole residential class if >10% for these customers
72	Description of settlement process with IESO or host distributor, specify GA rate used for each rate class, itemize process for providing estimates and describe true-up process, details of method for estimating RPP and non-RPP consumption, treatment of embedded generation/distribution. LDCs are expected to use accrual accounting.

In addition, the OEB notes that the hard copies of the application provided at the time of filing did not contain any tabs to mark the separate sections, which would simplify navigation throughout the exhibits. Further, certain of the exhibits (in particular Exhibits 5 through 7) were illegibly printed. The OEB expects the material filed in support of an application to be clear and professionally presented.

The OEB notes that the July 25, 2016 filing date of the 2016 cost of service application was more consistent with that of 2017 cost of service applications, which were required by August 26, 2016. Further, Chapleau PUC's application includes a request for an Advanced Capital Module for its 25kV conversion project beginning in 2017.

For these reasons, the OEB will require Chapleau PUC to revise the application to reflect 2015 actual information, 2016 bridge (9 month actual + 3 month forecast), as well as a forecast 2017 test year, which includes the 2017 rate base additions related to its 25kV conversion project.

The OEB expects that Chapleau PUC will file the above listed required information as soon as possible.

If any of the information that is identified as missing is located in sections other than those identified in the Filing Requirements, or if any of the information is not applicable in your circumstances, please provide an explanation when re-filing the application.

Please direct any questions relating to this application to Martha McOuat, Project Advisor at 416-440-7606 or martha.mcouat@ontarioenergyboard.ca.

Yours truly,

Original Signed By

Kristi Sebalj
Registrar

cc: Peter Ioannou (peter.ioannou@bell.net)