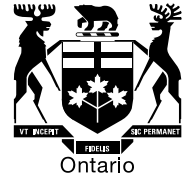


Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416-481-1967
Facsimile: 416-440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27^e 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

March 24, 2017

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

Dear Ms. Walli:

Re: Welland Hydro-Electric System Corp. (Welland Hydro)
OEB File Number: EB-2016-0110

In accordance with Procedural Order No. 1 and the OEB's letter dated March 15, 2017, OEB staff advises the OEB that parties have come to an agreement regarding an issues list for Welland Hydro's 2017 distribution rate application. The proposed issues list is attached.

Yours truly,

Original Signed By

Georgette Vlahos
Advisor – Incentive Rate Setting & Accounting

Encl.

**Proposed Issues List
EB-2016-0110
Welland Hydro-Electric System Corp.**

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 Revenue Requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?

2.2 Has the 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 number and 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 splits and the elimination of the Large Use rate class, for rate design appropriate?

3.4 Are the proposed Retail Transmission Service Rates (including the elimination of separate Retail Transmission Rates for Interval versus Non-Interval customers within the GS 50 to 4,999 kW rate class) 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. OTHER

5.1 Is the proposed microFIT rate appropriate?

5.2 Are the proposed new Specific Service Charges appropriate (i.e. Collection of Account Charge – no disconnection – during regular hours; Collection of Account Charge – no disconnection – after regular hours)?

5.3 Is the proposal to obtain payment from the IESO for Ratepayer Protection under O.Reg.330/09 in the amount of \$5,172 annually by payment of \$431 monthly for Renewable Generation Connection-Provincial Amount appropriate?

5.4 Is the proposal to obtain a one-time payment from the IESO for Ratepayer Protection under O.Reg.330/09 in the amount of \$8,136 for Renewable Generation Connection-Provincial Amounts appropriate?