



EB-2016-0110

Welland Hydro-Electric System Corp.

**Application for electricity distribution rates
beginning May 1, 2017.**

ISSUES LIST DECISION

March 28, 2017

Welland Hydro-Electric System Corp. (Welland Hydro) filed a complete cost of service application with the Ontario Energy Board (OEB) on December 15, 2016 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 Welland Hydro charges for electricity distribution, to be effective May 1, 2017.

A Notice of Hearing (Notice) was issued on January 18, 2017. Each of Energy Probe Research Foundation (Energy Probe), the School Energy Coalition (SEC) and the Vulnerable Energy Consumers Coalition (VECC) applied for, and were granted, intervenor status in the proceeding.

The OEB issued a letter on March 15, 2017, which extended the due date of the filing of a proposed issues list from the date indicated in Procedural Order No.1. The letter required that OEB staff would file a proposed issues list which had been agreed to by all parties by March 24, 2017. In the event that parties were unable to reach an agreement on a proposed issues list, OEB staff was to inform the OEB in writing.

On March 24, 2017, OEB staff informed the OEB that the parties had reached an agreement on a proposed issues list.

Decision

The OEB has reviewed the proposed issues list and approves it for the purpose of this proceeding. The approved issues list is attached as Schedule A.

DATED at Toronto, **March 28, 2017**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

SCHEDULE A

ISSUES LIST DECISION

WELLAND HYDRO-ELECTRIC SYSTEM CORP.

March 28, 2017

**Approved 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 pricing 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?