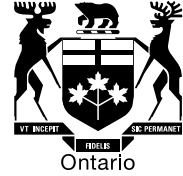


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**BY E-MAIL**

June 13, 2017

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

Dear Ms. Walli:

**Re: Five Nations Energy Inc.  
Proposed Issues List  
OEB File Number: EB-2016-0231**

In accordance with Procedural Order No. 2, OEB staff advises the OEB that parties have come to an agreement regarding an issues list for Five Nations Energy's 2016 transmission rates application. The proposed issues list is attached.

Yours truly,

*Original Signed By*

Lawrie Gluck  
Project Advisor

Encl.

**Proposed Issues List  
EB-2016-0231  
Five Nations Energy Inc.**

## **1.0 GENERAL**

- 1.1 Has Five Nations Energy responded appropriately to all relevant OEB directions from previous proceedings?
- 1.2 Are all elements of Five Nations Energy's proposed 2016 revenue requirement reasonable?
- 1.3 Is the proposed effective date of January 1, 2016 appropriate?
- 1.4 Were Five Nations Energy's customer engagement activities sufficient to enable customer needs and preferences to be considered in the formulation of its proposed spending?

## **2.0 TRANSMISSION SYSTEM PLAN and RATE BASE**

- 2.1 Does the Transmission System Plan adequately address customer needs and preferences?
- 2.2 Is the level of proposed capital expenditures appropriate and adequately taking into consideration factors such as customer preferences, system reliability and asset condition?
- 2.3 Is the proposed 2016 rate base reasonable?
- 2.4 Is the proposed 2016 working capital allowance amount reasonable and was the methodology used to calculate the working capital allowance appropriate?

## **3.0 PERFORMANCE SCORECARD**

- 3.1 Is Five Nations Energy's proposal regarding its Performance Scorecard reasonable?

## **4.0 OPERATING AND OTHER REVENUES**

- 4.1 Is Five Nations Energy's 2016 charge determinant forecast reasonable?
- 4.2 Is Five Nations Energy's 2016 other revenue forecast reasonable?

## **5.0 OPERATIONS, MAINTENANCE and ADMINISTRATION (OM&A) COSTS**

- 5.1 Is the level of proposed 2016 OM&A expenses reasonable and adequately taking into consideration factors such as customer preferences, system reliability and asset condition?
- 5.2 Are the proposed 2016 human resources related costs (wages, salaries, benefits, etc.) including employee levels appropriate?
- 5.3 Is Five Nations Energy's proposed depreciation expense for 2016 appropriate?
- 5.4 Are the amounts proposed to be included in the 2016 revenue requirement associated with annual fees for land use appropriate?

## **6.0 Cost of Capital**

- 6.1 Is Five Nations Energy's proposed capital structure appropriate?
- 6.2 Are Five Nations Energy's proposed long-term and short-term debt rates appropriate?
- 6.3 Is Five Nations Energy's proposal to earn a return on equity (ROE) in the same manner as a regulated for-profit utility appropriate?
- 6.4 Is Five Nations Energy's proposed ROE appropriate?
- 6.5 Is it appropriate to add a reserve fund component to Five Nations Energy's cost structure?
- 6.6 Is Five Nations Energy's proposal to use revenues in excess of costs to meet other non-transmission related corporate objects (i.e. funding community projects) appropriate?

## **7.0 DEFERRAL/VARIANCE ACCOUNTS**

- 7.1 Are the proposed new deferral and variance accounts appropriate?

## **8.0 COST ALLOCATION**

- 8.1 Is the cost allocation to rate pools proposed by Five Nations Energy appropriate?

## **9.0 INCENTIVE RATEMAKING**

- 9.1 Is Five Nations Energy's proposed 5 year Incentive Ratemaking Plan appropriate (including, but not limited to, its proposals related to inflation, productivity, and stretch factors, Z-Factor claims and deferral account treatment)?

## **10.0 BILL IMPACTS**

- 10.1 Are the bill impacts resulting from Five Nations Energy's application appropriate?