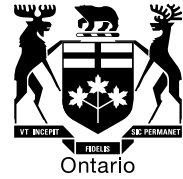


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BY E-MAIL

November 16, 2017

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

Dear Ms. Walli:

**Re: Hydro Hawkesbury Inc. (Hydro Hawkesbury)
OEB File Number: EB-2017-0048**

In accordance with Procedural Order No. 1, OEB staff advises the OEB that parties have come to an agreement regarding an issues list for Hydro Hawkesbury's 2018 distribution rate application. The proposed issues list is attached.

Yours truly,

Original Signed By

Birgit Armstrong
Project Advisor, Major Applications

Encl.

**Proposed Issues List
EB-2017-0048
Hydro Hawkesbury Inc.**

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 Is the investment in 2017 for the new Substation of approximately \$3.5 million prudent?

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 for rate design appropriate?

3.4 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. OTHER

5.1 Is the proposed microFIT rate appropriate?

5.2 Is the applicant's proposal to refund amounts due to a delay in upgrading Hydro Hawkesbury's 110kV transformer station, including the quantum and method of disposition, appropriate?