



EB-2017-0048

Hydro Hawkesbury Inc.

**Application for electricity distribution rates
beginning January 1, 2018.**

ISSUES LIST DECISION

November 21, 2017

Hydro Hawkesbury Inc. (Hydro Hawkesbury) filed a cost of service application with the Ontario Energy Board (OEB) 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 Hydro Hawkesbury charges for electricity distribution, to be effective January 1, 2018.

A Notice of Hearing (Notice) was issued on August 23, 2017. The Vulnerable Energy Consumers Coalition (VECC), School Energy Coalition (SEC) and Capredoni Enterprises Ltd. (CEL) applied for intervenor status in the proceeding. Procedural Order No.1 was issued on October 16, 2017 and VECC and SEC were granted intervenor status and cost eligibility. CEL's intervention request was denied.

Procedural Order No. 1 also required that OEB staff file a proposed issues list which had been agreed to by all parties by November 20, 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.

OEB staff informed the OEB that the parties had reached an agreement on a proposed issues list and filed a copy of the agreed-upon issues list with the OEB on November 17, 2017.

Decision

The OEB has reviewed the proposed issues list and approves it for the purpose of this proceeding with two additions. First, the OEB has determined that it is appropriate to explicitly mention the distribution system plan under Issue 1.1 - Capital, as it is one of the matters that will be considered in determining the appropriateness as well as the rationalization and pacing of the planned capital expenditures. Second, the OEB has determined that it is appropriate to include compatibility with historical expenditures as a consideration under each of Issues 1.1 – Capital and 1.2 – OM&A.

The approved issues list is attached as Schedule A.

DATED at Toronto, **November 21, 2017**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

SCHEDULE A
APPROVED ISSUES LIST
Hydro Hawkesbury Inc.
November 21, 2017

**Approved 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 pacing choices appropriate and adequately explained, giving due consideration to:

- customer feedback and preferences
- productivity
- compatibility with historic expenditures
- 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
- distribution system plan.

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
- compatibility with historic expenditures
- 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?