



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND PROCEDURAL ORDER NO. 3

EB-2017-0051

HYDRO ONE REMOTES COMMUNITIES INC.

**Application for electricity distribution rates and other charges
beginning May 1, 2018**

BEFORE: Emad Elsayed
Presiding Member

Michael Janigan
Member

Rumina Velshi
Member

February 5, 2018

1. INTRODUCTION

Hydro One Remote Communities Inc. (Hydro One Remotes) filed a cost of service application dated August 28, 2017 with the Ontario Energy Board (OEB) pursuant to section 78 of the *Ontario Energy Board Act, 1998*, for an order or orders approving its 2018 revenue requirement and customer rates for the distribution and generation of electricity, effective May 1, 2018.

The OEB issued Procedural Order No. 1 on December 14, 2017, which accepted a list of intervenors and provided for the filing of interrogatories, responses to interrogatories, a settlement conference, a settlement proposal, and a tentative Presentation Day.

Procedural Order No. 1 also required OEB staff to file a proposed issues list by February 2, 2018, that had been agreed to by all parties or inform the OEB that parties were unable to reach an agreement. On February 2, 2018, OEB staff informed the OEB that the parties had reached an agreement on a proposed issues list.

The OEB approves the issues list as filed. In Procedural Order No. 1, the OEB scheduled a tentative date of March 6, 2018 for Hydro One Remotes to present to the OEB any settlement proposal and a summary of any unsettled issues in the case. The OEB has rescheduled the hearing of the settlement proposal.

2. OEB FINDINGS

It is necessary to make provision for the following matters related to this proceeding. The OEB may issue further procedural orders from time to time.

IT IS THEREFORE ORDERED THAT:

1. OEB staff submitted a proposed Issues List agreed to by all the parties on February 2, 2018. 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.
2. The OEB will hold a presentation day on **March 19, 2018 at 9:30 a.m.** in the OEB's hearing room at 2300 Yonge Street, 25th Floor, Toronto for Hydro One Remotes to present to the OEB any settlement proposal and a summary of any unsettled issues in the case.

All filings to the Board must quote the file number, **EB-2017-0051** and be made electronically in searchable/unrestricted PDF format through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available, parties may email their documents to the address below.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Khalil Viraney at Khalil.Viraney@oeb.ca and Board Counsel, Michael Millar at Michael.Millar@oeb.ca.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, **February 5, 2018**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

SCHEDULE A
APPROVED ISSUES LIST
HYDRO ONE REMOTES COMMUNITIES INC.
2018 DISTRIBUTION RATES
EB-2017-0051
FEBRUARY 5, 2018

ISSUES LIST
EB-2017-0051
Hydro One Remote Communities Inc.

1. PLANNING

1.1 Capital

Is the level of planned distribution and generation capital expenditures including the proposed rate base for 2018 appropriate and is the rationale for planning and pricing choices appropriate and adequately explained, giving due consideration to:

- capital funding received by Indigenous and Northern Affairs Canada (INAC),
- customer engagement, feedback and preferences
- Hydro One Remotes 2017 to 2022 Business Plan
- Hydro One Remotes Distribution System Plan
- productivity
- 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:

- cost of diesel fuel
- customer engagement, feedback and preferences
- Hydro One Remotes 2017 to 2022 Business Plan
- productivity
- 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 calculations appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand profile of the applicant's customers?

3.2 Are the proposed late payment and specific service charges appropriate?

3.3 Are the proposed revenues from external work appropriate?

3.4 Is the proposed rate increase for the different rate classes 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 Is the applicant's proposals for the Rural and Remote Rate Protection variance account including the balance and the disposition appropriate?

5. OTHER

5.1 Have the potential impacts of the Remote Community Connection Plan been appropriately considered in the application?

5.2 Have cost for shared services been appropriately allocated to the Applicant?

5.3 Is the cost of capital structure, and the long-term and short-term debt rate, appropriate?

5.4 Is the plan for First Nation relations appropriate and adequately explained?