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BY E-MAIL

March 9, 2018

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

Dear Ms. Walli:

**Re: Essex Powerlines Corporation (Essex Powerlines)
Application for 2018 electricity distribution rates
Submission of Proposed Issues List
Ontario Energy Board File Number: EB-2017-0039**

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

Yours truly,

Original Signed By

Donald Lau
Project Advisor – Rates Major Applications

Attach.

**PROPOSED ISSUES LIST
EB-2017-0039
Essex Powerlines Corporation**

1.0 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 historical expenditures;
- compatibility with applicable benchmarks;
- reliability and service quality;
- impact on distribution rates;
- trade-offs with OM&A spending;
- government-mandated obligations;
- the objectives of Essex Powerlines and its customers; and
- distribution system plan.

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 historical expenditures;
- compatibility with applicable benchmarks;
- reliability and service quality;
- impact on distribution rates;
- trade-offs with capital spending;
- government-mandated obligations; and
- the objectives of Essex Powerlines and its customers.

2.0 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?

3.0 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 energy and demand requirements of Essex Powerlines' customers?
- 3.2** Is the proposed cost allocation methodology, and are the allocations and revenue-to-cost ratios, appropriate?
- 3.3** Are Essex Powerlines' proposals for rate design appropriate?
- 3.4** Are the proposed Retail Transmission Service Rates and Low Voltage service rates appropriate?

4.0 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 Essex Powerlines' proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts and the continuation of existing accounts, appropriate?

5.0 OTHER

- 5.1** Are the risks associated with Essex Powerlines' financing arrangements appropriate?