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BY EMAIL

April 10, 2019

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

Dear Ms. Walli:

**Re: Chapleau Public Utilities Corporation (CPUC)
2019 Cost of Service Electricity Distribution Rate Application
Submission of Proposed Issues List
Ontario Energy Board File Number: EB-2018-0087**

In accordance with Procedural Order No. 2, OEB staff advises the OEB that parties have come to an agreement regarding an issues list for CPUC's 2019 distribution rate application. The proposed issues list is attached.

On April 6, 2019, CPUC filed a Section 86 application for leave for CPUC to amalgamate with its former affiliate Chapleau Energy Services. This application was filed in conjunction with CPUC's interrogatory responses related to its 2019 cost of service proceeding. Parties have agreed that revenue requirement elements related to the amalgamation are included as Issue 2.3 of the proposed issues list.

Yours truly,

Original Signed By

Fiona O'Connell
Project Advisor, Major Applications
Encl.

PROPOSED ISSUES LIST
EB-2018-0087
Chapleau Public Utilities 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
- benchmarking of costs
- reliability and service quality
- impact on distribution rates
- trade-offs with OM&A spending
- government-mandated obligations
- the objectives of CPUC and its customers
- the distribution system plan
- the business 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
- benchmarking of costs
- reliability and service quality
- impact on distribution rates
- trade-offs with capital spending
- government-mandated obligations
- the objectives of CPUC and its customers
- the distribution system plan
- the business plan

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?
- 2.3** Are the revenue requirement and rate adjustments from the proposed amalgamation reasonable?

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 CPUC's customers?
- 3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 3.3** Are CPUC's proposals for rate design appropriate, including the OEB's policy on residential rate design?
- 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 CPUC's 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 Specific Service Charges and Retail Service Charges appropriate?
- 5.2** Is the proposed effective date (i.e. May 1, 2019) for 2019 rates appropriate?

5.3 Is CPUC's proposal to recover foregone revenue related to its 2018 Incentive Rate-Setting Mechanism application¹ reasonable?

¹ EB-2017-0337