

Chapleau Public Utilities Corporation

**Application for electricity distribution rates beginning
May 1, 2019**

**DECISION ON ISSUES LIST
April 12, 2019**

Chapleau Public Utilities Corporation (Chapleau Public Utilities) filed a cost of service application with the Ontario Energy Board (OEB) on August 31, 2018 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 Chapleau Public Utilities charges for electricity distribution, to be effective May 1, 2019. The application was updated on November 26, 2018.

As part of Chapleau Public Utilities' 2018 Incentive Rate-Setting Mechanism (IRM) application,¹ an interim rate order was issued on April 27, 2018. This order made Chapleau Public Utilities' current Tariff of Rates and Charges interim as of May 1, 2018 and until such time as a final rate order is issued by the OEB. On August 14, 2018, the OEB stated² that Chapleau Public Utilities' 2018 IRM application would be dealt with by the OEB Panel that hears Chapleau Public Utilities' 2019 cost of service application.

Issues List

On April 10, 2019, in accordance with Procedural Order No. 2, OEB staff informed the OEB that all parties had reached an agreement on a proposed issues list. The proposed issues list submitted by the parties included Issue 2.3, which read as follows:

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

The OEB notes that the amalgamation of Chapleau Public Utilities with Chapleau Energy Services Corporation (CESC) will be considered in a separate hearing.³

¹ EB-2017-0337

² EB-2018-0087

³ EB-2019-0135

The issues to be determined in this proceeding are the reasonableness of the revenue requirement and rate adjustments. The proposed Issue 2.3 can be considered under Issues 2.1 and 2.2 of the approved Issues List attached as Schedule A.

DATED at Toronto, **April 12, 2019**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

SCHEDULE A
APPROVED ISSUES LIST
Chapleau Public Utilities Corporation
April 12, 2019

APPROVED 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?

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 application⁴ reasonable?

⁴ EB-2017-0337