

PROPOSED ISSUES LIST
EPCOR NATURAL GAS LP
EB-2018-0336

Issue 1 Administration

- (a) Has EPCOR Natural Gas complied with the OEB directives from and since the utility's last cost of service proceeding (EB-2010-0018)?
- (b) Are the proposed changes to EPCOR Natural Gas' Conditions of Service appropriate?

Issue 2 Rate Base

- (a) Were amounts closed (or proposed to be closed) to rate base since the utility's last rate proceeding in EB-2010-0018 prudently incurred?
- (b) 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 EPCOR Natural Gas and its customers
 - the utility system plan
 - the business plan
- (c) Is the working capital allowance for the 2020 Test Year appropriate?

Issue 3 Operating Revenue

- (a) Are the customer addition forecasts for the 2019 Bridge Year and 2020 Test Year appropriate?
- (b) Are the volume throughput and revenue forecasts for the 2019 Bridge Year and 2020 Test Year appropriate?
- (c) Are the proposed Other Revenues for the 2020 Test Year appropriate?

Issue 4 Operating Costs

- (d) 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 EPCOR Natural Gas and its customers
 - the utility system plan
 - the business plan
 - Affiliate Shared Services
 - Corporate Shared Services and the Corporate Structure/Status
- (a) Are the depreciation costs for the 2020 Test Year appropriate?
 - (b) Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the ratemaking treatment of each of these impacts appropriate?
 - (c) Are the cost consequences of the EPCOR Natural Gas Supply Plan, including the proposal for gas purchases from On- Energy Corp. appropriate?
 - (d) Is the gas transportation cost forecast for the 2020 Test Year appropriate?

Issue 5 Deferral and Variance Accounts

- (a) Is EPCOR Natural Gas' proposal for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts and the continuation or closure of existing accounts, appropriate?

Issue 6 Cost of Capital

- (a) Is EPCOR Natural Gas' proposed capital structure of 60% debt (56% long-term and 4% short-term) and 40% equity appropriate?
- (b) Is EPCOR Natural Gas' cost of capital for the 2020 Test Year appropriate?

Issue 7 Cost Allocation and Rate Design

- (a) Are the proposed changes to cost allocation, rate design and revenue-to-cost ratios appropriate?
- (b) Are the proposed rates appropriate?
- (c) Are the proposed changes to EPCOR Natural Gas' Schedule of Service Charges appropriate?

Issue 8 Incentive Regulation Plan

- (a) Is EPCOR Natural Gas' proposed Incentive Regulation Plan for the period 2021 to 2024 appropriate?

Issue 9 Score Card

- (a) Is EPCOR Natural Gas' proposed Score Card appropriate?