

**Ontario Energy  
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**BY E-MAIL**

August 7, 2019

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

Dear Ms. Walli:

**Re: Kitchener-Wilmot Hydro Inc. (Kitchener-Wilmot Hydro)  
Application for 2020 electricity distribution rates  
Proposed Issues List  
Ontario Energy Board File Number: EB-2019-0049**

In accordance with Procedural Order No. 1, OEB staff advises the OEB that parties have come to an agreement regarding an issues list for Kitchener-Wilmot Hydro's 2020 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-2019-0049  
Kitchener-Wilmot Hydro Inc.**

**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 Kitchener-Wilmot Hydro 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 Kitchener-Wilmot Hydro 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 Kitchener-Wilmot Hydro's customers?
- 3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 3.3** Are Kitchener-Wilmot Hydro's proposals for rate design appropriate?
- 3.4** Are the proposed Retail Transmission 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 Kitchener-Wilmot Hydro's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for discontinuation of accounts and the continuation of existing accounts, appropriate?

### **5.0 OTHER**

- 5.1** Are the Specific Service Charges appropriate?
- 5.2** Is the proposed effective date (i.e. January 1, 2020) for 2020 rates appropriate?