

BY E-MAIL

October 7, 2020

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Long:

**Re: Waterloo North Hydro Inc. (Waterloo North Hydro)
Application for 2021 Electricity Distribution Rates
Ontario Energy Board File Number: EB-2020-0059**

In accordance with Procedural Order No. 1, OEB staff advises the OEB that parties have come to an agreement regarding an issues list for Waterloo North Hydro's 2021 distribution rate application. The proposed issues list is attached.

Yours truly,

Original Signed By

Donald Lau
Project Advisor – Electricity Distribution: Major Rate Applications & Consolidations

Attach.

PROPOSED ISSUES LIST
EB-2020-0059
Waterloo North Hydro Inc. (Waterloo North Hydro)

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 Waterloo North 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 Waterloo North 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?
- 2.3** Is the proposed shared services cost allocation methodology and the quantum appropriate?
- 2.4** Has Waterloo North Hydro appropriately considered measures to cost-effectively reduce distribution losses in its planning processes and included such measures where appropriate?

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 Waterloo North Hydro's customers?
- 3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 3.3** Are Waterloo North Hydro's proposals for rate design appropriate?
- 3.4** Are the proposed Retail Transmission Service Rates and Low Voltage Service Rates appropriate?
- 3.5** Are the proposed standby charges for customers who have load displacement generation or storage equal to or exceeding 50kW in the General Service > 50kW and Large Use rate class appropriate?
- 3.6** Is the proposed use of gross load billing for retail service transmission rates for customers who have load displacement generation in the General Service > 50kW and Large Use rate class 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 Waterloo North Hydro's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for discontinuation of accounts, request for new accounts, and the continuation of existing accounts, appropriate?

5.0 OTHER

- 5.1** Are the Specific Service Charges, Retail Service Charges, and Pole Attachment Charge appropriate?
- 5.2** Is the proposed effective date (i.e. January 1, 2021) for 2021 rates appropriate?
- 5.3** Has Waterloo North Hydro responded appropriately to the requirement to undertake a review of executive compensation incentive plans as outlined in the EB-2015-0108 Settlement Agreement?