



**Waterloo North Hydro Inc.**

**Application for electricity distribution rates and other  
charges beginning January 1, 2021**

**Decision on Issues List  
October 9, 2020**

Waterloo North Hydro Inc. (Waterloo North Hydro) filed a cost of service application with the Ontario Energy Board (OEB) on June 30, 2020 (updated on July 14, 2020) 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 Waterloo North Hydro charges for electricity distribution, beginning January 1, 2021.

A Notice of Hearing was issued on July 20, 2020. Procedural Order No. 1 issued on August 24, 2020 established a list of parties to this proceeding and made provision, among other matters, for parties to develop a proposed issues list for the OEB's consideration or to notify the OEB in writing if parties and OEB staff were unable to reach an agreement.

On October 7, 2020 OEB staff filed a proposed issues list which was agreed to by all parties.

**Findings**

The OEB has reviewed the proposed issues list and approves it for the purposes of this proceeding.

**IT IS THEREFORE ORDERED THAT:**

1. The approved issues list is attached to this Decision as Schedule A.

**DATED** at Toronto, **October 9, 2020**

**ONTARIO ENERGY BOARD**

*Original signed by*

Christine E. Long  
Registrar

**SCHEDULE A**  
**APPROVED ISSUES LIST**  
**WATERLOO NORTH HYDRO INC.**  
**EB-2020-0059**  
**OCTOBER 9, 2020**

**APPROVED 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?