

Oshawa PUC Networks Inc.

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

**Decision on Issues List and Interim Rate Order
November 27, 2020**

Oshawa PUC Networks Inc. (Oshawa PUC Networks) filed a cost of service application with the Ontario Energy Board (OEB) 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 Oshawa PUC Networks charges for electricity distribution, beginning January 1, 2021. The application was accepted by the OEB as complete as of August 19, 2020.

A Notice of Hearing was issued on August 19, 2020. Procedural Order (PO) No. 1¹ established a list of parties to this proceeding. PO No. 2² updated the case schedule in this proceeding due to an extension request by Oshawa PUC Networks to file its interrogatory responses. PO No. 2 also 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 November 26, 2020, OEB staff filed a proposed issues list which was generally agreed to by all parties (Issues List). There was an addition proposed by the Distributed Resource Coalition, on which the Vulnerable Energy Consumers Coalition and the Consumers Council of Canada took no position under Issue 1.1.

Findings

The OEB has reviewed the proposed Issues List and approves it for the purposes of this proceeding with the following revisions:

1. Under Issue 1.1 Capital, the 6th bullet-point ("the condition of distribution assets, service quality, system reliability and the availability of non-wires alternatives

¹ Issued September 14, 2020

² Issued October 22, 2020

(NWAs), including distributed energy resources, in the planning process”) is deleted as it duplicates other items under Issue 1.1 as described below:

- The condition of the distribution assets is addressed as part of the distribution system plan under bullet-point 11 of the proposed Issues List
- Service quality and system reliability are addressed in bullet-point 4 of the proposed Issues List
- The availability of non-wires alternatives, including distributed energy resources, is addressed in bullet-point 7 of the proposed Issues List, as modified below:

2. Bullet-point 7 under Issue 1.1 of the proposed Issues List (new bullet-point 6) is modified to state, “Investment in non-wires alternatives, including distributed energy resources, where appropriate.”

Interim Rates

Given the case schedule for this proceeding, the OEB will not be in a position to render a final decision to implement rates on January 1, 2021. Therefore, Oshawa PUC Networks’ current rates are declared interim as of January 1, 2021 until such time as new rates are approved by the OEB.

This determination is made without prejudice to the OEB’s decision on Oshawa PUC Networks’ application, and should not be construed as predictive, in any way whatsoever, of the OEB’s final determination with regards to the effective date for Oshawa PUC Networks’ rates arising from this application. Despite granting an interim rate order at this time, the OEB retains the discretion to set the effective date at a date later than the date of the interim rate order. The OEB will ultimately set the effective date of the final rate order to whatever date it ultimately determines to be just and reasonable.

The OEB confirms that any rate riders with expiry dates on December 31, 2020 on Oshawa PUC Networks’ current Tariff of Rates and Charges shall not be charged to customers beyond the expiry date.

It is necessary to make provision for the following matters related to this proceeding.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Oshawa PUC Networks Inc.'s current Tariff of Rates and Charges is declared interim as of January 1, 2021 and until such time as a final rate order is issued by the OEB.
2. The approved issues list is attached to this Decision as Schedule A.

DATED at Toronto, **November 27, 2020**

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar

SCHEDULE A
APPROVED ISSUES LIST
OSHAWA PUC NETWORKS INC.
EB-2020-0048
NOVEMBER 27, 2020

APPROVED ISSUES LIST
EB-2020-0048
Oshawa PUC Networks 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
- Investment in non-wires alternatives, including distributed energy resources, where appropriate
- trade-offs with OM&A spending
- government-mandated obligations
- the objectives of Oshawa PUC Networks 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 Oshawa PUC Networks 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 Ontario Energy Board (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, and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of Oshawa PUC Networks' customers?
- 3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 3.3** Are Oshawa PUC Networks' 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 Oshawa PUC Networks' 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, 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 Oshawa PUC Networks responded appropriately to the prior directives or decisions of the OEB from Oshawa PUC Networks' 2015-2019 Custom Incentive Rate-setting Application (EB-2014-0101) and the 2020 Incentive Rate-setting Mechanism Application (EB-2019-0062)?