



Ontario  
Energy  
Board | Commission  
de l'énergie  
de l'Ontario

BY E-MAIL

April 5, 2021

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

Dear Ms. Long:

**Re: Espanola Regional Hydro Distribution Corporation (Espanola Hydro)  
Application for 2021 Electricity Distribution Rates  
Ontario Energy Board File Number: EB-2020-0020**

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

Yours truly,

Jerry Wang  
Advisor – Electricity Distribution: Major Rate Applications & Consolidations

Attach.

**PROPOSED ISSUES LIST  
EB-2020-0020**

**Espanola Regional Hydro Distribution Corporation (Espanola 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
- investment in non-wire alternatives, including distributed energy resources, where appropriate
- trade-offs with OM&A spending
- government-mandated obligations
- the objectives of Espanola 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 Espanola 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, conservation and demand management adjustments and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of Espanola Hydro's customers?
- 3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 3.3** Are Espanola Hydro's proposals, including the proposed fixed/variable splits and plan for residential customers to transition to fully-fixed rates, for rate design appropriate?
- 3.4** Are the proposed Retail Transmission Service Rates and Low Voltage Service Rates appropriate?
- 3.5** Are the Specific Service Charges, Retail Service Charges, and Pole Attachment Charge appropriate?
- 3.6** Are Espanola Hydro's proposals for rate mitigation 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 Espanola 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** Is the proposed effective date (i.e. May 1, 2021) for 2021 rates appropriate?
- 5.2** Has Espanola Hydro responded appropriately the OEB's order in EB-2019-0015 that Espanola Hydro complete an analysis on the differences in accounting policies between Espanola Hydro and North Bay Hydro Distribution Limited?
- 5.3** Are the amounts proposed for inclusion in rate base for the Incremental Capital Module approved in EB-2013-0127 and the proposed treatment of the associated true-up appropriate?
- 5.4** Is Espanola Hydro's request to set its interim rates as of February 1, 2016 as final appropriate?