



Ontario  
Energy  
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**BY EMAIL**

July 27, 2022

Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto ON M4P 1E4

Dear Ms. Marconi:

**Re: EPCOR Electricity Distribution Ontario Inc. (EPCOR Electricity Distribution Ontario)  
Application for 2023 Electricity Distribution Rates  
Ontario Energy Board (OEB) File Number: EB-2022-0028**

In accordance with Procedural Order No. 2, OEB staff circulated a draft issues list among the parties to the above-captioned proceeding. A copy of that draft Issues List is attached.

The parties have not objected to the draft Issues List. However, an outstanding matter has arisen with respect to whether parties may ask interrogatories related to the merger savings forecast in Collus PowerStream Corporation's (Collus PowerStream) share acquisition proceeding (referred to below as the MAADs proceeding).<sup>1</sup> More particularly, in an email message to parties regarding the draft Issues List, School Energy Coalition (SEC) advised of its intention to ask questions about the forecast merger savings and compare them to what actually happened. SEC advised that it is assuming that this topic is included in the draft Issues List, but requested that an issue be added to deal with that, in the event that the draft Issues List does not cover the topic.

On July 26, 2022, EPCOR Electricity Distribution Ontario filed a [letter](#) in response to SEC's comments. In its letter, EPCOR Electricity Distribution Ontario stated that because of a finding by the OEB in its decision in the MAADs proceeding, it did not set up mechanism to track its performance in reference to the evidence from the MAADs application. EPCOR Electricity Distribution Ontario stated that the evidence in the MAADs proceeding was a forecast based on limited information available during the diligence phase of the potential transaction, and solely for the purposes of addressing the OEB's "no harm" test. EPCOR Electricity Distribution Ontario's view is that the MAADs evidence has no relevance to the determination of "just and reasonable" rates

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<sup>1</sup> EB-2017-0373 and EB-2017-0374

today. EPCOR Electricity Distribution Ontario requested direction from the OEB on the relevance of the MAADs evidence in determining “just and reasonable” rates.

On July 26, 2022, SEC filed a [letter](#) in response to EPCOR Electricity Distribution Ontario’s letter. SEC submitted, in part, that it is a regular feature of proceedings before the OEB that, where utilities say they will do something, they are later asked whether they in fact did what they promised; and that when a utility tells the OEB that they are going to do something, and what they do in fact is different, the OEB and the utility’s customers are entitled to ask why that happened. SEC submitted that questions about the differences between what the applicant forecast in 2018 and what the applicant did since then, and are planning to do in the future, are relevant to just and reasonable rates for the Test Year, and should be included either expressly or by implication on the Issues List.

OEB staff suggests that the OEB will need to consider this matter before the Issues List can be finalized.

Further, parties are requesting that the OEB waive the requirement under rule 26.02(e)(ii) of the Rules of Practice and Procedure that the interrogatories correspond to the Issues List. Parties are requesting that they may file interrogatories according to the exhibit numbers in the application. Parties believe this approach is more efficient and likely less costly.

Finally, parties indicated that, given that the current Issues List was prepared prior to the interrogatory process, parties may wish to raise additional matters for inclusion on the Issues List after the responses to the interrogatories are received.

Yours truly,

Katherine Wang  
Advisor – Operations Decision Support: Incentive Rate Setting & Regulatory Accounting

Attach.

**PROPOSED ISSUES LIST**  
**EB-2022-0028**  
**EPCOR Electricity Distribution Ontario Inc. (EPCOR Electricity Distribution Ontario)**

**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 EPCOR Electricity Distribution Ontario 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 EPCOR Electricity Distribution Ontario 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 including the application of Conservation and Demand Management savings, loss factors, and resulting billing determinants appropriate, and to the extent applicable, are they an appropriate reflection of the energy and demand requirements of EPCOR Electricity Distribution Ontario's customers?
- 3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 3.3** Are EPCOR Electricity Distribution Ontario's proposals, including the proposed fixed/variable splits, for rate design appropriate?
- 3.4** Are the proposed Retail Transmission Service Rates and Low Voltage rates appropriate?
- 3.5** Are the Specific Service Charges, Retail Service Charges, and Pole Attachment Charge 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 EPCOR Electricity Distribution Ontario's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for discontinuation of accounts, requests for establishment of new accounts and the continuation of existing accounts, appropriate?

### **5.0 OTHER**

- 5.1** Is the proposed effective date (i.e., January 1, 2023) for 2023 rates appropriate?

The OEB may update the issues list as necessary to define the scope of the proceeding.