

PUC Distribution Inc.

**Application for electricity distribution rates and other
charges beginning May 1, 2023**

**Decision on Issues List
October 27, 2022**

PUC Distribution Inc. filed a cost of service application with the Ontario Energy Board 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 PUC Distribution charges for electricity distribution, beginning May 1, 2023.

A Notice of Hearing was issued on September 23, 2022. The OEB issued Procedural Order No. 1¹ which established a list of parties to this proceeding. The OEB approved Consumers Council of Canada, Environmental Defence, the School Energy Coalition and the Vulnerable Energy Consumers Coalition as intervenors in this proceeding. Procedural Order No. 1 also made provision for parties to propose an issues list for the OEB's consideration.

OEB staff filed a proposed issues list which was agreed to by all parties. Further, parties requested 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. OEB staff advised the OEB that parties may want to file interrogatories according to the exhibit numbers in the application.

OEB staff also advised that parties may wish to raise additional matters for inclusion on the issues list after the responses to interrogatories are received.

¹ Issued October 18, 2022

Findings

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

The OEB has also considered the request to file interrogatories according to exhibit numbers. The OEB approves the request for this proceeding.

Parties may raise additional matters for inclusion on the issues list after the responses to interrogatories are received. The inclusion of any such matter(s) would be subject to OEB approval.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The approved Issues List is attached to this Decision as Schedule A.

DATED at Toronto, **October 27, 2022**

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
APPROVED ISSUES LIST
PUC DISTRIBUTION INC.
EB-2022-0059
OCTOBER 27, 2022

APPROVED ISSUES LIST
EB-2022-0059
PUC Distribution 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
- trade-offs with OM&A spending
- government-mandated obligations
- the objectives of PUC Distribution Inc. 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 PUC Distribution Inc. 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?

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 PUC Distribution Inc.'s customers?

3.2 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?

3.3 Are PUC Distribution Inc.'s proposals, including the proposed fixed/variable splits, for rate design appropriate?

3.4 Are the proposed Retail Transmission Service Rates appropriate?

3.5 Are the Specific Service Charges, Retail Service Charges, and Pole Attachment Charge appropriate?

3.6 Is the proposed Embedded Generation Rate Rider appropriate?

3.7 Are rate mitigation proposals required for any rate classes?

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 PUC Distribution Inc.'s proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts, requests for discontinuation of accounts, and the continuation of existing accounts, appropriate?

4.3 Is the proposed rate rider for the refund of Tax Loss Carry Forwards appropriate?

5.0 OTHER

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

5.2 Are the amounts proposed for inclusion in rate base for the Incremental Capital Module approved in EB-2019-0170 and the proposed treatment of the associated true-up appropriate?

- 5.3** Are the amounts proposed for inclusion in rate base for the Incremental Capital Module approved in EB-2018-0219/EB-2020-0249 and the proposed treatment of the associated true-up appropriate?
- 5.4** Has PUC Distribution Inc. responded appropriately to the OEB's directions/orders from its stand-alone Incremental Capital Module application relating to the Sault Smart Grid Project (EB-2018-0219/EB-2020-0249)?