

BY E-MAIL

October 28, 2022

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

Dear Ms. Marconi:

**Re: Hydro One Remote Communities Inc. (Hydro One Remote Communities)
Application for 2023 Revenue Requirement and Rates
Ontario Energy Board File Number: EB-2022-0041**

In accordance with Procedural Order No. 1, OEB staff advises the OEB that parties have come to an agreement regarding an issues list for Hydro One Remote Communities' 2023 revenue requirement and rate application. The proposed issues list is attached.

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.

OEB staff also advises that 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,

Original Signed By

Donald Lau
Project Advisor – Electricity Distribution: Major Rate Applications & Consolidations

Attach.

**PROPOSED ISSUES LIST
EB-2022-0041**

Hydro One Remote Communities Inc. (Hydro One Remote Communities)

1.0 PLANNING

1.1 Capital

Are the level of planned distribution and generation 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 Hydro One Remote Communities and its customers
- the distribution system plan
- the business plan
- capital funding received by Indigenous Service Canada
- the connection of First Nations communities to the Wataynikaneyap Power LP transmission line, both those currently by Hydro One Remote Communities and those to be served by Hydro One Remote Communities upon connection to the Wataynikaneyap line

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 Hydro One Remote Communities and its customers
- the distribution system plan
- the business plan
- cost of diesel fuel

- the connection of First Nations communities to the Wataynikaneyap line, both those currently by Hydro One Remote Communities and those to be served by Hydro One Remote Communities upon connection to the Wataynikaneyap line

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, loss factors, and resulting billing determinants for the 2023 test year appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of Hydro One Remote Communities' customers, including the changes due to connection of communities to the Wataynikaneyap line?
- 3.2** Are Hydro One Remote Communities' proposals for rate design appropriate?

4.0 ACCOUNTING

- 4.1** Is the accounting standard used for regulatory purposes appropriate?
- 4.2** 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?
- 4.3** Is Hydro One Remote Communities' proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, and the continuation of existing accounts, appropriate?

5.0 OTHER

- 5.1** Are the Specific Service Charges appropriate?
- 5.2** Is the proposed effective date (i.e. May 1, 2023) for 2023 rates appropriate?

- 5.3** Is the Rural and Remote Rate Protection amount and the proposal to adjust it by the OEB-approved inflation during the incentive rate-setting mechanism appropriate?
- 5.4** Has Hydro One Remote Communities appropriately responded to the prior commitment from its previous 2018 cost of service proceeding settlement proposal regarding pension costs (EB-2017-0051)?