

Introduction

The OEB's legislative authority with respect to applications for electricity distribution rates is set out in sections 78 of the Ontario Energy Board Act, 1998 (OEB Act). The OEB has developed Filing Requirements for Electricity Distribution Rate Applications (Filing Requirements) to assist applicants when preparing electricity distribution rate applications filed under section 78.

The standard Issues List below has been developed based on the OEB's Filing Requirements for a cost of service application filed under the Price Cap Incentive Rate-setting method. The OEB recognizes that some cases can raise unique issues, and the OEB's process recognizes that in some circumstances, submissions on the issues list may be needed. In addition, a customized issues list may be needed for Custom Incentive Rate-setting applications. The OEB anticipates that the standard Issues List will be sufficient for most electricity distribution cost of service applications. There may also be circumstances where certain of these issues do not apply to an application.

The Issues List below will be linked in the OEB's Notice of Application. Any party that is considering participation in a proceeding should review the standard Issues List below.

OEB staff will canvas parties for any unique issues that may pertain to a particular application following the issuance of Procedural Order No. 1. If parties recommend any revisions, OEB staff will file a revised draft Issues List with the OEB. If there is no agreement on whether the standard Issues List should be revised, OEB staff will advise the OEB in writing. In the event that intervenors and the applicant do not propose any amendments to the standard Issues List, OEB staff will notify the OEB of this fact. Any notification by OEB staff is filed approximately 45 calendar days after the OEB deems the application complete (in accordance with the performance standard for Cost Based <\$500M Revenue Requirement applications). The OEB will issue a final Issues List in advance of the interrogatory stage, at approximately day 50.

Applicants are reminded to refer to the OEB's Handbook for Utility Rate Applications and the Filing Requirements for Electricity Distribution Cost of Service Applications when preparing their application, as well as the Issues List below. In accordance with the Handbook for Utility Rate Applications and the Filing Requirements, capital and OM&A spending proposals should contain rationale for planning and pacing choices, giving due consideration to:

- customer feedback and preferences
- productivity and benchmarking of costs
- reliability and service quality
- impact on distribution rates
- trade-offs between capital and OM&A spending
- government-mandated obligations
- the distribution system plan
- innovative alternatives in place of traditional investments
- future capacity needs, including the increased adoption of electric vehicles.

Issues List for Cost Based Applications Filed Under the Price Cap Incentive Rate-setting Method

1. Capital Spending and Rate Base

- 1.1 Are the proposed capital expenditures and in-service additions appropriate?
- 1.2 Are the proposed rate base and depreciation amounts appropriate?

2. OM&A

- 2.1 Are the proposed OM&A expenditures appropriate?
- 2.2 Is the proposed shared services cost allocation methodology and the quantum appropriate?

3. Cost of Capital, PILs, and Revenue Requirement

- 3.1 Is the proposed cost of capital (interest on debt, return on equity) and capital structure appropriate?
- 3.2 Is the proposed PILs (or Tax) amount appropriate?
- 3.3 Is the proposed Other Revenue forecast appropriate?
- 3.4 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?
- 3.5 Is the proposed calculation of the Revenue Requirement appropriate?

4. Load Forecast

- 4.1 Is the proposed load forecast methodologies and the resulting load forecasts appropriate

5. Cost Allocation, Rate Design, and Other Charges

- 5.1 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 5.2 Is the proposed rate design, including fixed/variable splits, appropriate?
- 5.3 Are the proposed Retail Transmission Service Rates and Low Voltage rates appropriate?
- 5.4. Are the proposed loss factors appropriate?
- 5.5 Are the Specific Service Charges and Retail Service Charges appropriate?
- 5.6 Are rate mitigation proposals required and appropriate?

6. Deferral and Variance Accounts

- 6.1 Are the 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?

7. Other

- 7.1 Is the proposed effective date appropriate?
- 7.2 Has the applicant responded appropriately to all relevant OEB directions from previous proceedings?
- 7.3 [Additional case specific issues as required]