

**BY E-MAIL**

October 22, 2021

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

Dear Ms. Long:

**Re: London Hydro Inc. (London Hydro)  
Application for 2022 Electricity Distribution Rates  
Ontario Energy Board File Number: EB-2021-0041**

In accordance with Procedural Order No. 1, OEB staff advises the OEB that parties have come to an agreement regarding an issues list for London Hydro's 2022 distribution 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,

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

Attach.

**PROPOSED ISSUES LIST**  
**EB-2021-0041**  
**London Hydro Inc. (London 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 London 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 London Hydro and its customers
- the distribution system plan
- the business plan

**1.3** Has London Hydro appropriately considered measures to cost-effectively reduce distribution losses in its planning processes and included such measures where appropriate?

## **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?
- 2.4** Is London Hydro's proposal to remove the Scientific Research & Experimental Development tax credits from its revenue requirement as a revenue offset 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 appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of London Hydro's customers?
- 3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 3.3** Are London Hydro'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** 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 London 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?

**4.3** Is London Hydro's proposal for a new deferral and variance account for impacts resulting from Ontario's Broadband and Cellular Action Plan appropriate?

**5.0 OTHER**

**5.1** Is the proposed effective date (i.e. May 1, 2022) for 2022 rates appropriate?

**5.2** Are the amounts proposed for inclusion in rate base for the Advanced Capital Modules approved in EB-2017-0059 and the proposed treatment of the associated true-up appropriate?

**5.3** Is the proposal for an Advanced Capital Module for an upgraded customer information system appropriate, and does the proposal include sufficient justification and cost estimates to show need and prudence?

**5.4** Is London Hydro's request for an extension to the exception granted to it under section 71(4) of the OEB Act to carry out certain Green Button related services that are non-distribution related activities appropriate?