

London Hydro Inc.

**Application for electricity distribution rates and other
charges beginning May 1, 2022**

**Decision on Issues List
October 29, 2021**

London Hydro 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 London Hydro charges for electricity distribution, beginning May 1, 2022. The application was accepted by the OEB as complete on September 13, 2021.

A Notice of Hearing was issued on September 13, 2021. The OEB issued Procedural Order No. 1¹ which established a list of parties to this proceeding. The OEB approved Chippewas of Kettle and Stony Point First Nation with Southwind Development Corporation, Consumers Council of Canada, Environmental Defence, London Property Management Association, School Energy Coalition, and 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 on October 22, 2021 and advised that it had been agreed to by all parties. The parties requested that the OEB allow interrogatories to be filed according to the exhibit numbers in the application.

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

Findings

The OEB approves the proposed issues list.

The OEB approves the request to file interrogatories according to exhibit numbers.

¹ Issued October 15, 2021

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

THE ONTARIO ENERGY BOARD ORDERS THAT:

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

DATED at Toronto, **October 29, 2021**

ONTARIO ENERGY BOARD

Original signed by

Christine E. Long
Registrar

SCHEDULE A
APPROVED ISSUES LIST
LONDON HYDRO INC.
EB-2021-0041
OCTOBER 29, 2021

APPROVED 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?