

Appendix 'A'
To
Procedural Order No. 2
Hydro One Networks Inc.
Transmission

EB-2012-0031
Final Issues List
August 13, 2012

Appendix A
Hydro One Networks Inc.
Transmission Revenue Requirement and Rate Hearing
2013 and 2014
EB-2012-0031
FINAL ISSUES LIST

GENERAL

- 1) Has Hydro One responded appropriately to all relevant Board directions from previous proceedings?
- 2) Is the overall increase in 2013 and 2014 revenue requirement reasonable?

LOAD FORECAST and REVENUE FORECAST

- 3) Is the load forecast and methodology appropriate and have the impacts of Conservation and Demand Management initiatives been suitably reflected?
- 4) Are Other Revenue (including export revenue) forecasts appropriate?

OPERATIONS MAINTENANCE & ADMINISTRATION COSTS

- 5) Are the proposed spending levels for Sustaining, Development and Operations OM&A in 2013 and 2014 appropriate, including consideration of factors such as system reliability and asset condition?
- 6) Are the proposed spending levels for Shared Services and Other O&M in 2013 and 2014 appropriate?
- 7) Are the 2013/14 Human Resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels appropriate? Has Hydro One demonstrated improvements in efficiency and value for dollar associated with its compensation costs?
- 8) Are the methodologies used to allocate Shared Services and Other O&M costs to the transmission business and to determine the transmission overhead capitalization rate for 2013/14 appropriate?
- 9) Are the amounts proposed to be included in the 2013 and 2014 revenue requirements for income and other taxes appropriate?
- 10) Is Hydro One Networks' proposed depreciation expense for 2013 and 2014 appropriate?

CAPITAL EXPENDITURES and RATE BASE

- 11) Are the amounts proposed for rate base in 2013 and 2014 appropriate?
- 12) Are the proposed 2013 and 2014 Sustaining and Development and Operations capital expenditures appropriate, including consideration of factors such as system reliability and asset condition?
- 13) Are the proposed 2013 and 2014 levels of Shared Services and Other Capital expenditures appropriate?
- 14) Are the methodologies used to allocate shared services and other capital expenditures to the transmission business, appropriate?
- 15) Are the inputs used to determine the working capital component of the rate base and the methodology used appropriate?
- 16) Does Hydro One's Asset Condition Assessment information and Investment Planning Process adequately address the condition of the transmission system assets and support the O&MA and Capital expenditures for 2013/14?

COST OF CAPITAL/CAPITAL STRUCTURE

- 17) Is the proposed timing and methodology for determining the return on equity and short-term debt prior to the effective date of rates appropriate?
- 18) Is the forecast of long term debt for 2012-2014 appropriate?

DEFERRAL/VARIANCE ACCOUNTS

- 19) Are the proposed amounts, disposition and continuance of Hydro One's existing Deferral and Variance accounts appropriate?
- 20) Are the proposed new Deferral and Variance Accounts appropriate?

COST ALLOCATION

- 21) Is the cost allocation proposed by Hydro One appropriate?

GREEN ENERGY PLAN

- 22) Are the OM&A and capital amounts in the Green Energy Plan appropriate and based on appropriate planning criteria?

EXPORT TRANSMISSION SERVICE RATES

- 23) What is the appropriate level for Export Transmission Rates in Ontario?

CONNECTION PROCEDURES

- 24) Are the proposed modifications to the Hydro One transmission connection procedures appropriate?

ACCOUNTING STANDARDS

- 25) Have all impacts of the conversion of regulatory and financial accounting from CGAAP to USGAAP been identified, and reflected in the appropriate manner in the Application, the revenue requirement for the Test Years and the proposed rates?