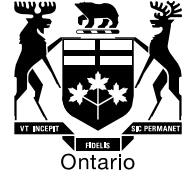


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**BY EMAIL**

September 6, 2013

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Sioux Lookout Hydro Inc. ("SLHI")  
2013 Electricity Distribution Rates  
Board Staff Submission on Draft Rate Order  
Board File No. EB-2012-0165**

In accordance with Decision and Order EB-2012-0165, please find attached the Board Staff Submission with respect to SLHI's Draft Rate Order filing.

Yours truly,

*Original Signed By*

Suresh Advani

Encl.



# **ONTARIO ENERGY BOARD**

## **BOARD STAFF SUBMISSION Draft Rate Order**

2013 ELECTRICITY DISTRIBUTION RATES

Sioux Lookout Hydro Inc.

EB-2012-0165

September 6, 2013

**Board Staff Submission – Draft Rate Order  
Sioux Lookout Hydro Inc. (“SLHI”)  
2013 Electricity Distribution Rates  
EB-2012-0165**

This is Board staff’s submission on SLHI’s Draft Rate Order (“DRO”) filing filed on August 30, 2013. SLHI made its DRO filing pursuant to the Board’s Decision and Order EB-2012-0165, issued on August 22, 2013. Board staff submits that SLHI’s DRO filing is complete except for the issues identified below.

**Cost Allocation**

Under Cost Allocation (pages 13 to 15), the Board’s Decision and Order (EB-2012-0165) states:

The Board accepts SLHI’s proposed R/C ratios for residential, GS<50 kW and GS> 50 kW and its revised proposal to adopt the R/C ratios produced by the Study of 83.03% for SL and 81.30% for the USL classes. The additional revenue from the SL and USL customer classes will be applied to the GS>50 kW customer class to further reduce its R/C ratio.

On page 10 of the DRO, SLHI states:

SLHI was directed to adjust the street lighting class to 83.08% over a two year period in order to mitigate the rate impact. Therefore the table shows the revenue to cost ratio for the Street Lighting class to be 76.54% for 2013. The ratio will be adjusted to 83.08% for the 2014 rate year with a downward adjustment to the General Service > 50kW rate class as per Board Decision.

Board staff notes that the Board’s decision did not order a two year phase-in period for the Street Lighting class as alluded to in the DRO. Board staff further notes that the Board’s decision states that additional revenue from the SL and USL customer classes will be applied to the GS>50 kW customer class to further reduce its R/C ratio.

Board staff has performed the re-balancing calculation for the GS>50 kW customer class and presents in the table below the R/C ratios reflective of the Board’s decision. The R/C ratios presented in the DRO are also provided in the table.

Board staff submits that the R/C ratios provided below in the Board staff column are consistent with the Board's Decision.

	SLHI's DRO (page 10)	Board staff calculation
Residential	96.35%	96.35%
GS<50 kW	109.85%	109.85%
GS>50 kW	119.23%	115.81%
Street Lighting	76.54%	83.03%
Unmetered Scattered Load	81.30%	81.30%

### **Tariff of Rates and Charges**

Except for revisions to the rates for the General Service 50 to 4,999 kW and Street Lighting classes as a result of the suggested changes to the R/C ratios as explained above, Board staff concurs that the rates and charges provided in Appendix E of the DRO reflect the Board's Decision.

Boards staff notes that the format of the Tariff of Rates and Charges provided in Appendix E of the DRO is not consistent with the format of SLHI's current Board approved Tariff of Rates and Charges. Accordingly, Board staff submits that the format of the attached draft Tariff of Rates and Charges which is consistent with Board approved tariffs for other distributors should be used.

– All of which is respectfully submitted –