

Ontario Energy Board
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Commission de l'énergie de l'Ontario
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BY E-MAIL

March 22, 2016

Deanne Kulchyski, CPA, CGA, BComm (Hons)
President /CEO
Sioux Lookout Hydro Inc.
P.O. Box 908, 25 Fifth Ave.
Sioux Lookout, ON P8T 1B3

Dear Ms. Kulchyski:

Re: Applications for 2017 Electricity Rates

This letter is in response to your letter expressing an interest to defer Sioux Lookout Hydro Inc.'s rebasing of its rates beyond the 2017 rate year.

The OEB has reviewed your letter, as well as Sioux Lookout Hydro's financial and non-financial scorecard performance from 2010 to 2014. Based on this review, the OEB has concluded that it will not require Sioux Lookout Hydro's 2017 rates to be set on a cost of service basis. The OEB will place Sioux Lookout Hydro on the list of distributors whose rates will be scheduled for rebasing for the 2018 rate year. The OEB may reassess this conclusion as new scorecard performance information becomes available for 2015.

If Sioux Lookout Hydro intends to seek a rate adjustment for 2017 rates, the OEB expects Sioux Lookout Hydro to adhere to the process for Price Cap Incentive Rate-setting applications for the 2017 rate year.

If Sioux Lookout Hydro subsequently seeks a further deferral the OEB will consider whether the Annual Incentive Rate-setting Index method that was developed for distributors intending longer periods without rebasing should be applied. The OEB will also consider whether the filing of a distribution system plan would be required at that time.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary