



**Ontario Energy Board**  
**Commission de l'énergie de l'Ontario**

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**OEB STAFF SUMMARY OF  
COMMUNITY MEETING**

**EB-2016-0056**

**Atikokan Hydro Inc.**

**Application for 2017 Rates**

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**January 20, 2017**

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# 1 INTRODUCTION

Atikokan Hydro Inc. (Atikokan Hydro) filed a cost of service application with the Ontario Energy Board (OEB) on October 4, 2016, seeking approval for changes to the rates that Atikokan Hydro charges for electricity distribution, to be effective May 1, 2017. For a typical residential customer, the proposed increase is \$7.34 per month.

A Notice of Hearing was issued on January 2, 2017.

Further to the Notice of Hearing, the OEB hosted a community telemeeting on January 9, 2017, regarding Atikokan Hydro's 2017 rates application. Participants had the option of joining by telephone or by webinar.

This is an OEB staff report summarizing the outcomes of this community meeting. This report will be placed on the public record of the OEB hearing of this application along with copies of the written presentations made at the meeting. This report includes a summary of comments, questions and concerns raised during the community meeting by customers who attended the meeting. This summary is intended to capture the range of perspectives that were shared, rather than to provide a verbatim transcript of the meeting.

Customers are also able to submit individual written letters of comment with the OEB, either during a community meeting or any other time during the course of the OEB's review of an application. The OEB places written letters of comment on the public record of the specific proceeding. All comments must be submitted to the OEB before the decision-makers in that case begin to consider their decision on the application. In making its decision, the OEB considers everything on the public record, including all comments when determining whether to grant the requests made by Atikokan Hydro in this application.

## 2 THE PROCESS

The OEB convenes community meetings when a local distribution company applies to the OEB to change its rates through a cost of service proceeding.

Community meetings are part of the OEB's process of reviewing a rate application. The OEB has established a [Consumer Engagement Framework](#) to ensure that the perspectives of customers served by rate-regulated entities are considered in the OEB's decision-making process. Community meetings are hosted by OEB staff who inform customers about the role of the OEB in rate-setting and the processes involved. OEB representatives explain the various ways that customers can become involved in the adjudicative process. A copy of OEB staff's presentation is attached to this report as Schedule A.

To assist customers in better understanding the application, the utility makes a presentation explaining its proposals for capital, operations and other spending that result in the requested rate change. A copy of Atikokan Hydro's presentation is attached to this report as Schedule B.

Customers and municipal officials are also invited to make presentations outlining their thoughts on the utility's proposals.

Following the presentations, customers have the opportunity to ask questions of the OEB and the utility about the application and the regulatory process. The issues raised by customers in the community meetings are documented and used by OEB staff in reviewing the application, asking interrogatories and making submissions to the OEB panel hearing and deciding the application. Any verbal comments provided to OEB staff at the community meeting are summarized in this report with no attribution.

In addition to providing verbal comments to OEB staff, customers attending the meetings may express their concerns directly to the OEB by providing individual comments (with attribution) through an online form.

### **3 SUMMARY OF THE MEETING**

The Atikokan Hydro telemeeting was held online and over the phone on January 9, 2017, from 6:30 p.m. to 7:10 p.m. Approximately 10 customers joined the telemeeting. OEB and Atikokan Hydro representatives responded to questions from attendees following the presentations.

The following OEB staff and Atikokan Hydro representatives attended the telemeeting:

#### OEB Staff

Sylvia Kovesfalvi, Manager, Stakeholder Relations  
Jane Scott, Manager, Major Applications  
Lynn Ramsay, Senior Advisor, Stakeholder Relations  
Andrew Bodrug, Senior Advisor, Stakeholder Relations  
Astrit Shyti, Network Analyst, Telecommunications  
Ian Richler, Counsel  
Chris Codd, Case Manager

#### Atikokan Hydro

Jen Wiens, CEO  
Mayor Dennis Brown, Director,  
Rob Ferguson, Director  
Herb Roehrig, President

OEB staff and Atikokan Hydro presented at the meeting. There were no customer presentations at the meeting.

Meeting participants did not express any specific concerns about Atikokan Hydro's application. Participants asked some factual questions which were answered by Atitokan Hydro or the OEB, including about cost allocation between customer classes and electricity rebate programs.

**SCHEDULE A**  
**ONTARIO ENERGY BOARD PRESENTATION**  
**ATIKOKAN HYDRO INC.**  
**EB-2016-0056**  
**JANUARY 9, 2017**



## Ontario Energy Board Commission de l'énergie de l'Ontario

### Getting involved in OEB's decision-making process

OEB Community Meeting - Atikokan  
(Via Web and Teleconference)

January 9, 2017

## Agenda

- OEB's role and responsibilities
- The distribution rate-setting process
- How consumers can get involved
- Atikokan Hydro's rate application
- Questions

## Scope of Tonight's Meeting



## Who We Are

- **The Ontario Energy Board is an independent public agency.**
  - Regulating gas since 1960 and electricity since 1999
- **Our goal is to promote a sustainable and efficient energy sector that provides energy consumers with reliable energy services at a reasonable cost.**



## The OEB Sets Distribution Rates

- The OEB reviews the “rates” that a local utility can charge customers
- A rate is an amount that recovers:
  - a utility’s costs of providing distribution service (such as operations, maintenance, administrative expense, capital projects)
  - a fair return on equity

## Delivering Value – Ensuring Reliability

The OEB’s job is to align various objectives to ensure reliability

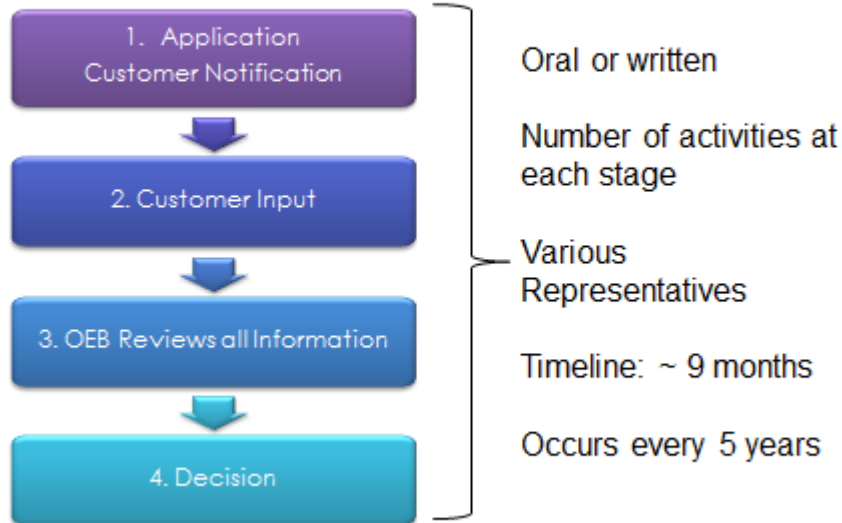


# Atikokan Hydro - Scorecard

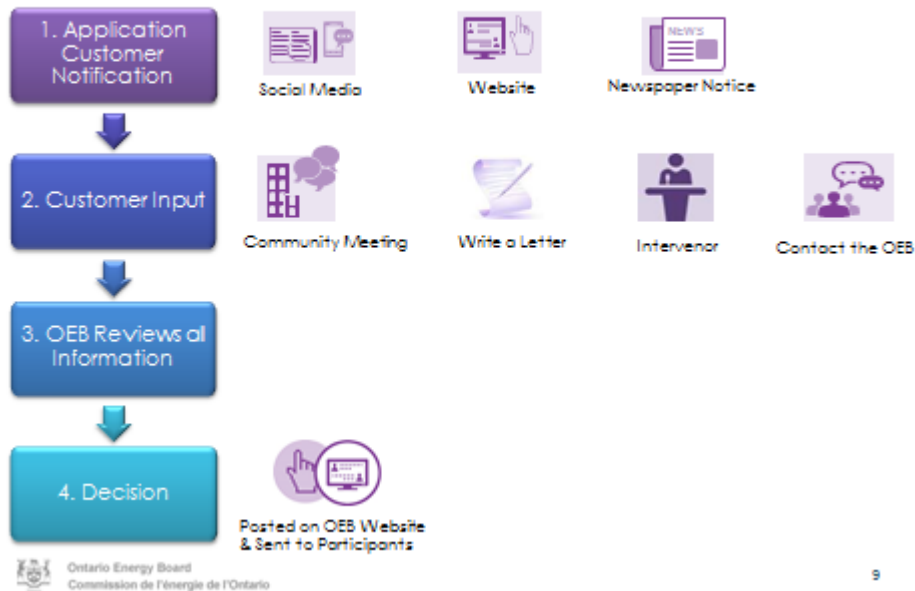
Performance Objectives	Performance Categories	Measures	2011	2012	2013	2014	2015	Target	
								Speed	Quality
Customer Service Services are provided in a timely and courteous manner to meet customer requirements	Service Quality	New Residential Business Services Connected on Time		100.0%			100.0%	100.0%	100.0%
		Scheduled Appointments Met On Time	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Customer Satisfaction	Telephone Calls Answered On Time	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		First Contact Resolution		95%	95%			95%	95%
Operational Effectiveness Continuous improvement in productivity, cost and performance is achieved and consistently delivers on service reliability and quality objectives	Safety	Customer Satisfaction Survey Results				100.0%	100.0%	Favourable	Favourable
		Level of Public Awareness						40.0%	40.0%
	System Reliability	Level of Compliance with Ontario Regulation 220/04	0	0	0	0	0	0	0
		Serious Electrical Incident Rate Number of General Public Incidents Rate per 10, 100, 1000 km of line	0	0	0	0	0	0	0
Asset Management	Average Number of Hours that Power to a Customer is Interrupted	0.02	0.30	0.43	0.37	0.13		0.10	
	Average Number of Times that Power to a Customer is Interrupted	0.05	0.47	1.10	0.56	0.20		0.27	
Public Policy Implementation Distribution System Plan Implementation Progress	Cost Control	Efficiency Assessment		4	4	4	4	3	
		Total Cost per Customer	\$0.04	\$1.07	\$0.95	\$0.92	\$0.96		
		Total Cost per Km of Line	\$15,410	\$16,360	\$16,430	\$14,470	\$16,310		
Public Policy Implementation Distribution System Plan Implementation Progress	Communication & Demand Management	Net Conservation Energy Savings					0.0%	1.14.000	
		Representative Generation Connection Impact Assessments Completed On Time							
Financial Performance Financial stability is maintained and consistent with long-term goals	Financial Ratios	New Micro-embedded Generation Facilities Connected On Time						100.0%	
		Liquidity - Current Ratio (Current Assets/Current Liabilities)	1.30	1.10	1.20	1.20	1.40		
Financial Performance Financial stability is maintained and consistent with long-term goals	Financial Ratios	Leverage - Total Debt (includes short-term and long-term debt) to Equity Ratio	0.91	0.90	0.30	0.33	0.20		
		Probability - Regulatory	0.0%	0.0%	0.0%	0.0%	0.0%		
		Return on Equity	0.0%	0.0%	11.0%	11.0%	10.0%		

[Link to Atikokan Hydro's Scorecard](#)

# OEB Rate-Setting Process: Hearing Steps



## Be Heard in the OEB's Process



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## OEB Hearings

- Open to all
  - Evidence is public
  - All written hearing materials posted on OEB website
  - All oral hearings open to the public and broadcast through OEB's website

## What Can You Do?

- OEB wants to hear from you. We encourage you to:
  - Ask questions
  - Provide comments (via post or email)
  - Attend or listen in on the hearings
  - Follow the proceedings
- Your voice helps the OEB do our job:

***Ensuring utilities deliver value by focusing on what matters most to you***

## What Happens Next?

- The OEB Panel decides on written or oral hearing
- Then they consider the information
  - Utility's application
  - Your comments
  - Intervenor submissions

# Contact OEB to Learn More

416-314-2455  
Toll Free 1-877-632-2727

Visit our website

[www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca)

Twitter: @OntEnergyBoard

Address: Ontario Energy Board, 2300 Yonge Street, Suite 2701, Toronto, Ontario M4P 1E4

Ontario Energy Board  
Commission de l'énergie de l'Ontario

# Contact OEB to Learn More

Call Sylvia: **416-440-8120**

Email: [Sylvia.Kovesfalvi@ontarioenergyboard.ca](mailto:Sylvia.Kovesfalvi@ontarioenergyboard.ca)

Sylvia Kovesfalvi, Manager, Stakeholder Relations

## Your Voice Matters – Thank You



**SCHEDULE B**  
**ATIKOKAN HYDRO PRESENTATION**  
**ATIKOKAN HYDRO INC.**  
**EB-2016-0056**  
**JANUARY 9, 2017**

# ATIKOKAN HYDRO INC.

OEB Community Meeting  
Via Web and Teleconference  
January 9, 2017 6:30 p.m

## Atikokan Hydro Snapshot

- LDC - Deliver and Maintain the local Electrical Distribution System
- 92 KM of line
  - 69 km Distribution
  - 23 km Sub-transmission
- 1327 Poles
- 1639 Customers as of January 1, 2017
  - 1392 Residential customers or 85% of customer count
  - Decline of 1.7% customers since 2012 Rate Application
- 7 Employees



# The Ask

RESIDENTIAL					
Based upon 750 kWh					
	Current	Proposed	Change		
Atkokan Hydro Distribution	\$ 45.81	\$ 53.15	\$ 7.34	16.01%	
Other Charges	\$ 103.10	\$ 104.60	\$ 1.50	1.43%	
<b>Total Bill (before Taxes)</b>	<b>\$ 148.91</b>	<b>\$ 157.75</b>	<b>\$ 8.84</b>	<b>5.93%</b>	
Less 8% Provincial Rebate (Jan 1, 2017)		-\$ 12.62			
HST	\$ 19.36	\$ 18.87	-\$ 0.49		
<b>Total Bill</b>	<b>\$ 168.27</b>	<b>\$ 164.00</b>	<b>-\$ 4.27</b>	<b>-2.60%</b>	

# Request to the Ontario Energy Board

- Annualized Distribution Revenue Increase of \$ 130,182  
- 10.27% increase
- Effective date May 1, 2017

## The Need

- We need this increase to pay for:
  - *Past and Future Investments in end of life infrastructure*
  - *Aggressive Capital Needs*  
+ \$63,182
    - Digger Derrick
    - Service Trucks
    - Pole Replacements
    - Smart Meters
  - *Increased operations, maintenance and administration*  
+ \$67,000
    - Smart Meter Metering Services
    - Regulatory Requirements
    - Other inflationary costs

## Other Drivers to Residential Rate Increase

- *OEB Residential Rate Design*
- *OEB Cost Allocation Policy Ranges*
- *Loss of Customers*

# The Risks

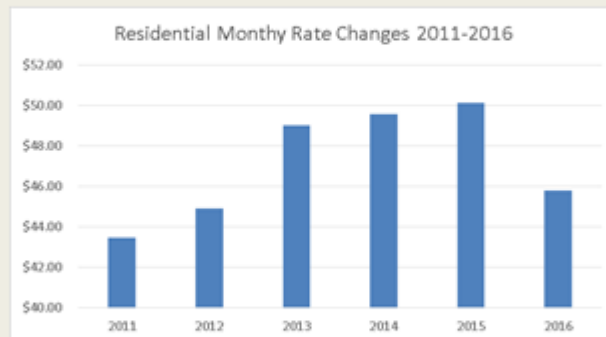
- Without this increase, we face:
  - *Lack of investment in the electrical infrastructure*
    - Potential outages
    - Regulatory concerns
  - *Financial Losses*

# Historical Residential Distribution Revenue



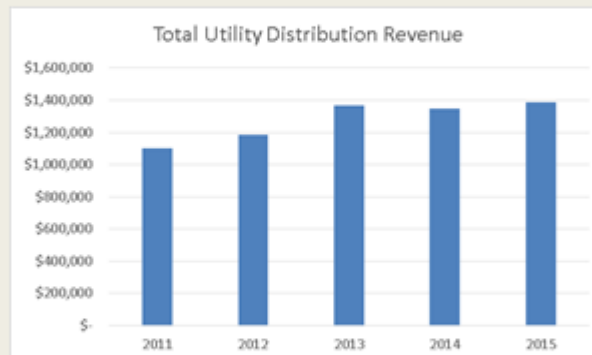
- *4.45% Increase*

## Historical Residential Monthly Distribution Revenue



- 13.3% Increase - 2011 vs. 2015
- 5.16% Increase - 2011 vs 2016

## Total Utility Distribution Revenue

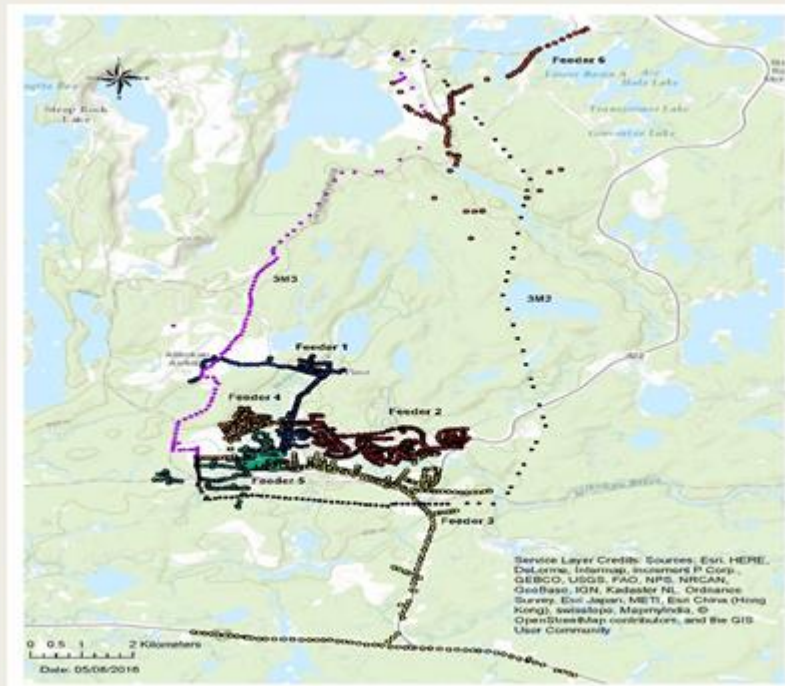


- \$6,390,747 total Distribution Revenue over past 5 years
- 20.68% increase

# Scorecard Highlights

*Scorecard - OEB mandated tool for utilities to measure yearly performance and encourage efficiencies and improvements.*

- *2015 Scorecard available on website*
- *Scorecard Strengths*
  - *Service Quality*
  - *Safety*
  - *Reliability*
  - *Customer Satisfaction*
- *Scorecard Weaknesses*
  - *Cost per Customer*



## Opportunities for Customer Outreach

- *Office*
- *Website - [www.athydro.com](http://www.athydro.com)*
- *Annual General Meeting*
- *Comment Space on Bill*
- *Customer Satisfaction Survey, 2016*

## For More Information

2017 Distribution Rate Application available at:

- [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca); or
- [www.athydro.com](http://www.athydro.com)

Questions or Comments to:

Jennifer Wiens

807-597-6600

[jen.wiens@athydro.com](mailto:jen.wiens@athydro.com)