



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

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## DECISION AND ORDER

EB-2017-0073

## SIoux LOOKOUT HYDRO INC.

Application for electricity distribution rates beginning May 1, 2018.

**BEFORE: Ken Quesnelle**  
Presiding Member

**Lynne Anderson**  
Member

**Michael Janigan**  
Member

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September 13, 2018

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## 1 INTRODUCTION AND SUMMARY

Sioux Lookout Hydro Inc. (SLHI) filed a cost of service application with the Ontario Energy Board (OEB) on August 27, 2017 (updated January 8, 2018) 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 SLHI charges for electricity distribution, to be effective May 1, 2018.

SLHI serves approximately 2,800 customers in the Municipality of Sioux Lookout (including the communities of Hudson, Benedickson and Pickerel).

The OEB's policy for rate setting is set out in the *Handbook for Utility Rate Applications* (the Rate Handbook).<sup>1</sup> The Rate Handbook provides the key principles and expectations the OEB will apply when reviewing rate applications. The detailed expectations of a cost of service application are set out in Chapter 2 of the *Filing Requirements for Electricity Distribution Rate Applications*.<sup>2</sup>

SLHI asked the OEB, through a cost of service application, to approve its rates for 2018. With the approval of the 2018 base year, SLHI can apply annually to adjust its distribution rates in each of the next four years using the Renewed Regulatory Framework Price-Cap Incentive rate-setting option. With this option, the approved 2018 rates are adjusted mechanistically based on inflation and the OEB's assessment of SLHI's efficiency.

SLHI's 2018 rebasing application is being considered as part of the OEB's pilot of a proportionate review approach.

The OEB issued a Decision on Scope of Review (the Scoping Decision), dated March 29, 2018.

The Scoping Decision set out the following five issues that were subject to an abridged hearing process (written submissions).

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<sup>1</sup> OEB Handbook for Utility Rate Applications, October 13, 2016.

<sup>2</sup> OEB Filing Requirements for Electricity Distribution Rate Applications, 2017 Edition for 2018 Rate Applications, July 20, 2017.

- 1) Is the proposed 2018 test year capital budget for the planned pole replacement program appropriate?
- 2)
  - a. Should the 2018 test year capital budget reflect the application of a smoothing mechanism to address the annual variances in SLHI's forecast period capital budgets caused by the vehicle replacement program?
  - b. If so, how should the test year capital budget be revised?
- 3) Is the proposed 2018 test year budget for bank and merchant fees appropriate?
- 4) Is the proposed wording change to the pole attachment related specific service charge appropriate?
- 5) Should the proposed balances in the commodity variance accounts (1588 and 1589) be disposed of at this time? If not, what should be the next steps?<sup>3</sup>

The OEB's findings on these issues are set out in the remainder of this Decision and Order. The OEB has also made findings with respect to the effective date and implementation.

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<sup>3</sup> EB-2017-0073, Decision on Scope of Review, March 29, 2018, Schedule A.

## 2 THE APPLICATION

SLHI's 2018 cost of service application was filed on August 28, 2017 and updated on January 8, 2018.

SLHI's updated 2018 cost of service application includes the following:

- Request for approval to charge rates effective May 1, 2018 to recover a service revenue requirement of \$2,200,916, including a gross revenue deficiency (at existing rates) of \$137,078. This reflects a \$252,060 increase (13%) relative to the 2013 service revenue requirement (\$1,948,856) approved in SLHI's last rebasing.
- Proposed capital expenditures of \$618,329 for 2018. This is a \$298,389 increase (93%) relative to the 2013 approved capital expenditures (\$319,940) approved in SLHI's last rebasing. The change is driven by the proposed purchase of a replacement line truck (\$355,000) in 2018.
- Proposed Operations, Maintenance & Administration (OM&A) budget of \$1,572,092 for 2018. This is a \$150,846 increase (11%) relative to the OM&A budget (\$1,421,246) approved in SLHI's 2013 cost of service application.
- A Distribution System Plan (DSP).
- Request for approval of the proposed load forecast.
- Request for approval to continue applying the specific service charges as previously approved by the OEB (with minor wording changes to two of the specific service charges).
- Request for approval to remove the Unmetered Scattered Load rate class.
- Request for approval of the proposed loss factor.
- Request for approval to dispose of specified deferral and variance account balances.

SLHI is one of eight electricity distributors for which the Distribution Rate Protection (DRP) program applies.<sup>4</sup> This program is a component of the Ontario government's Fair Hydro Plan and caps base distribution charges for residential customers. The current maximum monthly distribution charge is \$36.43. The final bill impacts for residential customers will be determined through the DRP program.

For all other customer classes, final bill impacts will be provided in the Final Rate Order that will be issued at a later time based on both the Scoping Decision and this Decision and Order.

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<sup>4</sup> O. Reg 198/17.

### 3 THE PROCESS

SLHI filed an application on August 27, 2017 (updated January 8, 2018) for 2018 rates. With SLHI's consent, the 2018 rebasing application is being used to pilot and test the OEB's proportionate review approach.

Under the proportionate review approach, OEB staff used a number of different tools and analysis techniques to develop a recommendation for the appropriate process that the OEB should use to address the requests set out in the application. OEB staff also considered comments made by SLHI's customers at the community meeting held on November 7, 2017 in Sioux Lookout, Ontario, and through letters of comment.

As part of OEB staff's review, OEB staff asked SLHI questions both via teleconference and in writing. The correspondence between OEB staff and SLHI led to the filing of a revised application on January 8, 2018 that reflects the correction of certain technical errors and the use of the best available information. A full description of the staff review process is set out in the OEB Staff Report to the Registrar (the Staff Report).<sup>5</sup>

OEB staff filed the Staff Report on February 14, 2018, which set out OEB staff's recommendations as to the issues that it believed should proceed to a hearing. After reviewing the Staff Report, the OEB issued its Scoping Decision on March 29, 2018, which established an abridged hearing process limited to five issues.

The OEB issued a Notice of Application on April 5, 2018 inviting parties to apply for intervenor status. The OEB also issued an Interim Rate Order on April 27, 2018, declaring SLHI's existing rates interim until such time that a final rate order is issued by the OEB.

The Consumers Council of Canada (CCC) and the School Energy Coalition (SEC) applied for intervenor status. In Procedural Order No. 1, dated June 8, 2018, the OEB (i) approved CCC and SEC as intervenors in the proceeding; and (ii) set a schedule for OEB staff/intervenors to file written submissions and SLHI to reply to those submissions.

As part of its Notice of Intervention, dated April 11, 2018, SEC requested that additional information be placed on the record of the proceeding. The Vulnerable Energy

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<sup>5</sup> EB-2017-0073, OEB Staff Report to the Registrar, February 14, 2018, p. 3.

Consumers Coalition (VECC) filed a letter, dated April 18, 2018, which supported SEC's request for additional information. VECC's letter also explained why it decided not to seek intervenor status in the current proceeding. By letter, dated June 8, 2018, the OEB responded to SEC's information request.

By letters, dated June 27, 2018, SEC withdrew its intervention in the proceeding and CCC advised that it would not be filing a submission. OEB staff filed its written submission on the five issues set out in the Scoping Decision on June 27, 2018. SLHI filed its reply submission on July 18, 2018.

## 4 DECISION ON ISSUES

The Scoping Decision, amongst other things, determined that, with limited exceptions, the outcomes arising from SLHI's proposals set out in its application adequately reflect the public interest, are in accordance with OEB policy, and result in just and reasonable rates for customers.<sup>6</sup>

The Scoping Decision set out the five issues that were to be the subject of an abridged hearing process. OEB staff filed written argument on these five issues and SLHI filed a reply submission. The OEB's decision on the five issues identified in the Scoping Decision are set out below.

### 4.1 Planned Pole Replacement Program

The first issue set out in the Scoping Decision is described as follows:

Is the proposed 2018 test year capital budget for the planned pole replacement program appropriate?

SLHI proposed approximately \$130,000 in pole replacements in 2018 (planned and unplanned). During the historic period (2013-2017), the average annual expenditure for all pole replacements was about \$79,000. The average annual expenditure for all pole replacements for the forecast period (excluding the test year) is \$115,000.<sup>7</sup>

OEB staff submitted that an incremental amount above the historic period average for the test year is appropriate but \$51,000 seems excessive. OEB staff submitted that an appropriate test year budget for pole replacements is \$110,000. This amount would still be a \$31,000 increase (39%) relative to the historic period average (and a \$20,000 – 15% - decrease relative to SLHI's proposed budget). This amount is equal to the removal of the approximate \$20,000 planned secondary pole replacement budget in the test year, which is not proposed for any other years of the forecast period (2019-2022). OEB staff stated that an envelope budget of \$110,000 in the test year for all pole replacements could reasonably allow for the planned secondary pole replacements.<sup>8</sup>

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<sup>6</sup> EB-2017-0073, Decision on Scope of Review, March 29, 2018, p. 2.

<sup>7</sup> EB-2017-0073, OEB Staff Report to the Registrar, February 14, 2018, p. 22.

<sup>8</sup> EB-2017-0073, OEB Staff Submission, June 27, 2018, p. 2.

In its reply submission, SLHI argued that OEB staff's argument is flawed for three reasons. First, the evidence demonstrates that OEB staff's proposed reduction to SLHI's pole replacement program will increase an already large backlog of poles in "very poor" condition and this will decrease reliability. Second, OEB staff's historic comparison is overly simplistic as it does not account for workforce optimization that occurred during the historic period. Third, OEB staff's analysis fails to account for trade-offs that SLHI's management made (such as deferring needed renewal of underground cables) to allow for the planned pole replacement work to occur in the test year.<sup>9</sup>

## OEB Findings

The approved capital expenditure allowance for 2018 is \$598,000.

The OEB expects utilities to be effective in managing their assets. The OEB examines the overall capital program and the utility's approach to asset management to determine if there are effective processes for assessing the condition of its assets, preparing a plan considering risks and ensuring the spending has been appropriately paced.

The OEB does not take issue with SLHI's position that there is a requirement for additional pole replacement activity. SLHI has stated that its historical pole replacement program was not sufficient and this has led to nearly 37% of secondary poles and 27% of primary poles being in very poor or poor condition.<sup>10</sup> While the OEB accepts the need for SLHI to focus more attention on replacement of poles, the responsibility for this situation is solely SLHI's. It needs to have programs to ensure that all of its assets are well maintained on an ongoing basis to avoid the need for sharp increases in spending.

It is not the general practice of the OEB to approve or disallow the level of spending for a specific capital system renewal program. The OEB will therefore not specifically approve capital expenditures for the pole replacement program. However, in view of SLHI's past approach the OEB will not include the full amount of proposed spending related to the pole replacement program in the calculation of SLHI's overall revenue requirement. The capital allowance for the pole replacement program is to be \$20,000 less than proposed for the test year. SLHI is free to spend its overall capital allowance in accordance with its ongoing prioritization of projects.

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<sup>9</sup> EB-2017-0073, SLHI Reply Argument, July 18, 2018, pp. 2-8.

<sup>10</sup> EB-2017-0073, SLHI Reply Argument, July 18, 2018, pp. 3 and 5.

The OEB further notes that the capital expenditures for 2018 are significantly higher than for the most recent historical years. For 2013 to 2016 the average capital expenditures were approximately \$330,000, whereas the forecast for 2018 is \$618,000.<sup>11</sup> The reason for this increase is the purchase of a new truck for \$355,000. It is appropriate for a utility, when faced with a large capital purchase in one year to pace their other capital investments to the extent possible.

## 4.2 Smoothing Mechanism for Capital Budget

The second issue set out in the Scoping Decision is described as follows:

Should the 2018 test year capital budget reflect the application of a smoothing mechanism to address the annual variances in SLHI's forecast period capital budgets caused by the vehicle replacement program? If so, how should the test year capital budget be revised?

The total 2018 capital budget proposed for 2018 is \$618,000. This reflects a \$298,000 (93%) increase relative to the capital expenditure budget approved in SLHI's last cost of service application for 2013. This increase is caused by the proposed purchase of a replacement bucket truck in the test year (\$355,000). The average proposed capital budget during the forecast period (2018-2022) is \$426,000.<sup>12</sup>

OEB staff noted that the instability of the pacing of capital expenditures over the forecast period is a natural function of SLHI's small size and its need to make expensive vehicle replacements. However, OEB staff argued that this situation creates issues from a ratemaking perspective.

OEB staff stated that the proposed test year capital expenditures (which form part of the rate base calculation) are higher than the capital expenditures in the remaining years of the forecast period (and relatedly the average annual level of capital expenditures). This means that the revenue requirement, upon which rates are set, going into SLHI's next IRM period will be based on a rate base amount which includes capital expenditures that will not persist at the same high level throughout the forecast period.

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<sup>11</sup> EB-2017-0073, SLHI Updated Application, Exhibit 2, Distribution System Plan, p. 67.

<sup>12</sup> EB-2017-0073, SLHI Updated Application, January 8, 2018, Exhibit 2, p. 27 and Appendix 2a, p. 13.

In these specific circumstances, OEB staff submitted that it is appropriate to apply a smoothing mechanism for ratemaking purposes to better reflect the average capital expenditures expected to be incurred over the entire forecast period in the test year rate base amount. OEB staff submitted that the OEB should approve a 2018 test year capital budget that reflects the average capital expenditure over the entire forecast period (2018-2022) net of the \$20,000 pole replacement reduction argued for by OEB staff above. This would result in a 2018 test year capital budget of \$422,000.<sup>13</sup>

In its reply submission, SLHI argued that the application of a smoothing mechanism is not appropriate in the context of a forward test year cost of service application. SLHI stated that OEB staff's normalization proposal was previously rejected by the OEB in the Revised Decision and Order in Grimsby Power's 2016 rates proceeding.<sup>14</sup> SLHI further argued that smoothing already occurs because capital assets are included in rate base and ratepayers only pay the cost of capital and depreciation associated with the capital investment. In addition, SLHI argued that the normalization approach proposed by OEB staff is logically inconsistent with the half-year rule, which is part of the OEB's standard ratemaking methodology.<sup>15</sup>

## OEB Findings

The OEB will not approve the smoothing mechanism proposed by OEB staff. The OEB acknowledges SLHI's submission that what is included in 2018 rates is the cost of capital and depreciation, not the capital expenditures, and the application of the half-year rule already has a mitigating effect on rate impacts for the capital investments. Having approved capital investments of \$598,000 for 2018, and considering the bill impacts for customers not eligible for the DRP appear to be less than 10% based on a preliminary analysis, the OEB finds that no further smoothing is required.

## 4.3 Budget for Bank and Merchant Fees

The third issue set out in the Scoping Decision is described as follows:

Is the proposed 2018 test year budget for bank and merchant fees appropriate?

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<sup>13</sup> EB-2017-0073, OEB Staff Submission, June 27, 2018, pp. 3-4.

<sup>14</sup> EB-2015-0072, Revised Decision and Order, September 22, 2016, p. 5.

<sup>15</sup> EB-2017-0073, SLHI Reply Argument, July 18, 2018, pp. 8-11.

The bank and merchant fees have increased from \$50,000 in 2013 (actual) to \$84,000 in 2018 (proposed). This proposal reflects an increase of \$34,000 (67%) in 5 years.<sup>16</sup> SLHI explained that the reason for the increase is that its debit machine supplier added additional service charges in 2016 for system maintenance fees (which averaged an additional \$1,000 a month in costs). SLHI noted that it has not attempted to renegotiate these fees but it intended to look into this issue in the near-term.<sup>17</sup>

OEB staff submitted that a 67% increase in bank and merchant fees over a 5-year period is not reasonable. OEB staff also submitted that the containment of cost increases associated with third-party vendors is the responsibility of the utility and SLHI has not taken sufficient steps to contain bank and merchant fee increases. Therefore, OEB staff submitted that the bank and merchant fees should be reduced by \$19,000 to \$65,000 (a decrease of 23% relative to the proposed amount).<sup>18</sup>

In its reply argument, SLHI agreed with OEB staff's submission to reduce the bank and merchant fees to \$65,000. SLHI noted that subsequent to the filing of the application, and in consideration of OEB staff's concerns, SLHI investigated different options for point of sale transactions. Following this investigation, SLHI switched providers to reduce fees charged for debit and credit card transactions.<sup>19</sup>

## OEB Findings

The OEB accepts the proposal by OEB staff, which was accepted by SLHI, to reduce the forecast of bank and merchant fees by \$19,000 to \$65,000. The OEB acknowledges SLHI's efforts to negotiate better rates from a vendor.

## 4.4 Wording for Pole Attachment Specific Service Charge

The fourth issue set out in the Scoping Decision is described as follows:

Is the proposed wording change to the pole attachment related specific service charge appropriate?

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<sup>16</sup> EB-2017-0073, OEB Staff Report to the Registrar, February 14, 2018, p. 30.

<sup>17</sup> EB-2017-0073, SLHI Responses to OEB Staff Questions, November 14, 2017, p. 23.

<sup>18</sup> EB-2017-0073, OEB Staff Submission, June 27, 2018, pp. 4-5.

<sup>19</sup> EB-2017-0073, SLHI Reply Argument, July 18, 2018, p. 11.

SLHI proposed to change the wording for the charge entitled “Specific charge for access to the power poles - \$ / pole / year (with the exception of wireless attachments)” to “Specific charge for all attachments to the power poles (including street lighting attachments) \$ / pole / year (with the exception of wireless attachments)”.<sup>20</sup> An alternative proposed wording change is shown in two other places of the application. The alternative wording states, “Specific charge for all attachments to the power poles - \$ / pole / year (with the exception of wireless attachments).”<sup>21</sup>

OEB staff submitted that no change to the wording for the pole attachment related specific service charge should be made at this time.<sup>22</sup> In its reply submission, SLHI withdrew its request to change the wording for the noted specific service charge.<sup>23</sup>

### **OEB Findings**

The OEB accepts SLHI’s request to withdraw its request to rename its pole attachment specific service charge. The name of the charge will remain consistent with the charges for other electricity distributors.

## **4.5 Disposition of Commodity Variance Accounts**

The final issue set out in the Scoping Decision is as follows:

Should the proposed balances in the commodity variance accounts (1588 and 1589) be disposed of at this time? If not, what should be the next steps?

SLHI proposed the disposition of credit amounts of \$252,777 and \$78,755 in accounts 1588 and 1589, respectively. These amounts are underpinned by a \$314,140 credit adjustment to account 1588 with an offsetting debit of \$314,140 to account 1589. SLHI made this adjustment in order to address deficiencies in their settlement process with Hydro One Networks Inc. (Hydro One). These deficiencies were discovered in preparation for this application and arose following SLHI’s review of the results of the

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<sup>20</sup> EB-2017-0073, SLHI Updated Application, January 8, 2018, Exhibit 8, p. 11.

<sup>21</sup> EB-2017-0073, SLHI Updated Application, January 8, 2018, Exhibit 8, Appendix 8C (Specific Service Charges Tariff) and Exhibit 3, p. 34.

<sup>22</sup> EB-2017-0073, OEB Staff Submission, June 27, 2018, pp. 5-7.

<sup>23</sup> EB-2017-0073, SLHI Reply Argument, July 18, 2018, p. 12.

OEB's global adjustment workform, which is a new requirement set out in the OEB's filing requirements commencing for 2018 rates.<sup>24</sup>

OEB staff noted that the amount in question may very well be reasonable. However, absent a detailed review of the change to SLHI's settlement processes, it is not possible to determine whether SLHI has adequately addressed any gaps in its settlement process.

OEB staff submitted that the detailed review envisioned by OEB staff is the type of review that is generally not practical to conduct as part of an application. As such, OEB staff submitted that the OEB should approve the proposed disposition of Accounts 1588 and 1589 on an interim basis pending a review by OEB staff of the December 31, 2016 balances in accounts 1588 and 1589. OEB staff stated that a detailed review outside the application process is required to determine whether the account balances are accurate and the adjustments made were appropriate. In addition, OEB staff argued that the OEB should order SLHI to undertake a review and update its business processes relating to RPP settlement with Hydro One and have such business processes confirmed by OEB staff.<sup>25</sup>

In its reply argument, SLHI stated that it understands the concerns surrounding the large credit balance in account 1588 and agrees with OEB staff that an interim disposition to allow for a review of the settlement process is appropriate. SLHI stated that it would cooperate in any such review.<sup>26</sup>

## **OEB Findings**

The OEB does not approve the disposition of Accounts 1588 and 1589 on an interim basis. There is uncertainty in the balances, and disposition of large amounts to customers could result in a significant correction if the balances are found to require adjustment.

The OEB agrees with OEB staff that a detailed review should be conducted of the December 31, 2016 balances for Accounts 1588 and 1589, and the associated accounting and settlement processes. SLHI is required to conduct a detailed review and

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<sup>24</sup> EB-2017-0073, SLHI Responses to OEB Staff Questions, November 14, 2017, p. 23.

<sup>25</sup> EB-2017-0073, OEB Staff Submission, June 27, 2018, pp. 7-8.

<sup>26</sup> EB-2017-0073, SLHI Reply Argument, July 18, 2018, p. 12.

file a report of its review process and determinations with the OEB in sufficient time to be considered for disposition and reflected in May 1, 2019 rates. The OEB will assess the thoroughness of the review at that time to determine if further auditing of these accounts is warranted.

## 5 IMPLEMENTATION

### 5.1 Effective Date

The OEB approves an effective date for rates of May 1, 2018.

In its January 13, 2017 letter to all electricity distributors, the OEB established a deadline for filing applications for May 1, 2018 rates of August 28, 2017. SLHI filed its application on August 27, 2017 before the deadline. Furthermore, SLHI agreed to participate in the first pilot for the OEB's proportionate review of rate applications. Having filed on-time and met the procedural deadlines established by the OEB, the OEB finds that the delay in implementing rates for May 1, 2018 was for the most part not the result of the conduct of SLHI.

### 5.2 Implementation Date and Draft Rate Order Process

The OEB has set May 1, 2018 as the effective date for new rates for SLHI for its 2018 rate year but rates will be implemented October 1, 2018. This means that the base revenue requirement provided by this decision for the SLHI 2018 rate year from May 1, 2018 to April 30, 2019 rate year will be recovered from ratepayers during the concluding seven months of that rate year.

The residential ratepayers of SLHI are provided rate relief by the DRP, which caps the monthly base distribution charges. The delay in the implementation of this decision's base distribution rates should not require those ratepayers to forego any part of the DRP.

The OEB thus will approve base distribution rates for a seven month period commencing October 1, 2018 that will recover the full rate year's approved base revenue requirement. This means that residential ratepayers will be held harmless from the consequences of any delay in setting rates. The end result will be the same for SLHI as if the rates had been implemented May 1, 2018, as will the total monetary amount of the bill reductions afforded by the DRP to ratepayers.

In order to determine the starting point for SLHI's 2019 IRM application, as part of the rate order process the OEB will also approve base distribution rates for May 1, 2019 upon which any price cap rate adjustment for 2019 would apply.<sup>27</sup> SLHI shall include a proposal for both the 2018 and 2019 base distribution rates as part of the draft rate order process.

To expedite the draft rate order process, the OEB requires SLHI to consult with OEB staff as it prepares the draft rate order to ensure that OEB staff is satisfied that the draft rate order and draft tariff of rates and charges are consistent with this Decision and Order and the OEB's standard formatting. To the extent that there are areas of disagreement, the draft rate order filed by Sioux Lookout should highlight these issues. OEB staff will then be provided an opportunity for a written submission on any areas of disagreement, and SLHI will have the opportunity to reply.

The draft rate order shall reflect the updated Smart Meter Entity Charge of \$0.57 per month established by the OEB through a separate proceeding.<sup>28</sup>

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<sup>27</sup> SLHI has opted for the OEB's Price Cap IR option for setting rates. Following this cost of service application, rates will be adjusted by a price-cap adjustment that is based on inflation, less a productivity adjustment.

<sup>28</sup> EB-2017-0290, Decision and Order, March 1, 2018.

## 6 ORDER

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Sioux Lookout Hydro Inc. shall file with the OEB a draft rate order with a proposed Tariff of Rates and Charges attached that reflects the OEB's findings in this Decision and Order, by September 20, 2018. This shall include customer rate impacts and detailed information in support of the calculation of final rates. Sioux Lookout Hydro Inc. shall consult with OEB staff on the consistency of the draft rate order and Tariff of Rates and Charges with the OEB's findings before filing with the OEB.
2. OEB staff shall either notify the OEB that it agrees that the draft rate order and Tariff of Rates and Charges is consistent with the OEB's findings or shall file a submission on any areas of disagreement, within 2 business days of the filing of the draft rate order.
3. If OEB staff files a submission on any areas of disagreement, Sioux Lookout Hydro Inc. shall file a response within 1 business day of the receipt of the submission.
4. Sioux Lookout Inc. shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

**DATED** at Toronto September 13, 2018

### ONTARIO ENERGY BOARD

*Original Signed By*

Kirsten Walli  
Board Secretary