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Kirsten Walli
Board Secretary
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Dear Ms. Walli:

**RE: IR's response for OEB File No. EB-2014-0056 Atikokan Hydro Inc. 2014 IRM
Electricity Distribution Rate Application**

Question 1:

Chapter 3 of the Filing Requirements notes that "distributors must establish separate rate riders to recover the balances in the RSVAs from Market Participants ("MPs") who must not be allocated the RSVA account balances related to charges for which the MPs settle directly with the IESO (e.g. wholesale energy, wholesale market services)."

Chapter 3 of the Filing Requirements also note that "distributors who serve Class A customers per O.Reg 429/04 (i.e. customers greater than 5 MW) must propose an appropriate allocation for the recovery of the global adjustment variance balance based on their settlement process with the IESO.

- a) Please confirm whether or not Atikokan serves any consumers that are Wholesale Market Participants ("WMPs")
 - i. If yes have these consumers been WMPs throughout the entire time over which variances accumulated in the RSVA accounts proposed for disposition?
 - ii. Please confirm that RSVA account balances have not been allocated to WMP customers as they settle these charges directly with the IESO.
- b) Please confirm whether or not Atikokan serves any class A consumers that settle energy charges directly with Atikokan. If yes, please explain how balances in Account 1589 (Global Adjustment) have been allocated to these consumers.

Response:

Atikokan confirms this question is not applicable as Atikokan does not have any class A or WMP consumers at this time.

Question 2.

In calculating Deferral and Variance Account rate riders for sub-groups of customers within a class (e.g. WMPs and non-WMPs), distributors have used two approaches.

- 1) Rate riders grouped by the nature of the deferral and variance accounts (i.e. one set of rate riders for accounts related to transmission (e.g. 1584 and 1586) and another set of rate riders for accounts related to power (e.g. 1580 and 1588). For an example, see the EnWin Utilities Ltd. Final 2014 Tariff of Rates and Charges (EB-2014-0156).
- 2) Sets of rate riders calculated on the basis of the customer group to which they would apply (i.e. one rate rider for WMPs and one rate rider for non-WMPs). For an example, see Bluewater Power Distribution Corp.'s 2014 IRM application (EB-2013-0112).

Response:

- 1) Atikokan does not have WMP's. We have followed OEB direction for our rate riders Power (1588), Wholesale Market (1580), Transmission (1584) and Connection (1586) are in one rated rider applicable for all rates classes. Global (1589) is applied only to non-RPP customers for recovery or disposal.
- 2) Not applicable.

Question 3.

Please confirm Street lighting customers should be 623 not 635 according to EB-2011-0293 page 10 draft rate order.

Response:

Atikokan has two customers for Street Lighting Class, the connection count is updated on a yearly basis. Beginning January 1, 2014 one of our customers reduced their connections by a count of five (5). Thus the current total connections is 630.

Question 4.

Please explain where the \$750 tax credit comes from? The RRWF from EB-2011-0293 Tab 3 line 49 is blank.

Tax impact should equal Tab 6 "total taxes" cell O25 less any taxes of the RRWF from EB-2011-0293.

Grossed up tax amount should equal Tab 6 "Grossed up tax amount" of the RRWF from EB-2011-0293

Please see below for what I come up with, please confirm if this is correct?

Response:

The \$750 tax credit is stated in our EB-2010-0064 page 4 " The Board finds that a 50/50 sharing of changes from the tax level reflected in the Board-approved base rates to the currently known legislated tax level for 2011 is appropriate. Using the Boards rate model, Atikokan Hydro's tax sharing amount is a refund of \$750. In its application, Atikokan Hydro noted that this amount is not material

and therefore proposed to record the tax sharing refund amount in variance account 1595 for disposition at a future date. The Board agrees and orders Atikokan Hydro to record the tax sharing refund amount of \$750 in variance account 1595 by June 30, 2011.”

In reflection to your question the calculation you have we confirm to be correct. This was never recorded in the Tax Sharing previously and agree that it does not belong here.

Question 5.

Please confirm the General Service 50 to 4,999 kW Retail Transmission Rate – Network Service Rate – Interval Metered kW should be 2,360 kW not 23,650 kW.

Response:

Atikokan confirms the General Service 50 to 4,999 kW Retail Transmission Rate – Interval Metered kW should be 2,360kW.

Question 6 Tab 15 RTSR – UTR’s and Sub Tx.

These rates expire December 31, 2014 and will be removed from your rate generator by Board staff.

Response:

Atikokan understands the RTSR – UTR’s and Sub Tx current rates will be removed December 31, 2014 and updated by the Board Staff effective January 1, 2015.

Question 7 Tab 25 Other Charges & LF

The Specific Charge for Access to the Power Poles \$22.35” is missing, please confirm Board staff should add this.

Response:

Atikokan confirms Specific charge for Access to the Power Poles \$22.35 is missing and requests the Board Staff to add this charge to Final Tariff Schedule.

Yours Truly,

Cheryl Marusyk
Administrative Assistant

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