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**BY E-MAIL**

December 21, 2015

John Pickernell  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Mr. Pickernell:

**Re: Atikokan Hydro Inc.  
2016 IRM Distribution Rate Application  
OEB Staff Interrogatories  
OEB File No. EB-2015-0052**

In accordance with Procedural Order #1, please find attached OEB Staff interrogatories in the above proceeding. The applicant and the intervenor have been copied on this filing.

Atikokan Hydro Inc. responses to interrogatories are due by January 15, 2016.

Yours truly,

*Original Signed By*

Kelli Benincasa  
Electricity Rates and Accounting

Encl.

**Atikokan Hydro Inc.  
EB-2015-0052  
OEB Staff Interrogatories**

**Interrogatory #1**

**Ref: Chapter 3 Filing Requirements for Electricity Distribution Rate Applications  
3.2.5.2 Global Adjustment**

Chapter 3 section 3.2.5.2 of the filing requirements states “As a new addition for 2016 applications, a distributor must now provide a description of its settlement process with the IESO or host distributor. It must specify the GA rate it uses when billing its customers (1st estimate, 2nd estimate or actual) for each rate class, itemize its process for providing consumption estimates to the IESO, and describe the true-up process to reconcile estimates of RPP and non-RPP consumption once actuals are known. The description should detail the distributor’s method for estimating RPP and non-RPP consumption, as well as its treatment of embedded generation or any embedded distribution customers. Distributors are reminded that they are expected to use accrual accounting.”

Please provide the description as indicated above for settling the GA with the IESO.

**Interrogatory #2**

**Ref: Regulated Return on Equity (ROE) Letter December 17, 2015**

On December 17, 2015 a letter was sent to Atikokan Hydro regarding Atikokan Hydro’s ROE measuring 28.33% in 2014 – 1,921 basis points above the target ROE that was the basis upon which Rates were established. Attached to the letter was Appendix A which explained most of the main drivers for Atikokan’s over-earning in 2014.

- A)** Given Atikokan Hydro’s over-earning in 2014 has Atikokan considered filing to not increase its base rates for the 2016 rate year?
- B)** Please explain if any of the over earner drivers are expected to continue in 2015 and 2016.
- C)** Please explain what the increases in other revenues are.