



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

December 21, 2015

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Re: EB-2015-0052 Atikokan Hydro Inc.
Vulnerable Energy Consumers Coalition (VECC) Interrogatories**

Please find enclosed the interrogatories of VECC in the above-noted proceeding.

Thank you.

Yours truly,

A handwritten signature in black ink, appearing to be 'Michael Janigan', written in a cursive style.

Michael Janigan
Counsel for VECC

Cc: Atikokan Hydro Ltd.

EB-2015-0052

Atikokan Hydro Ltd. (Atikokan)

**Application for electricity distribution rates and other charges
effective May 1, 2016.**

VECC Interrogatories

Earnings Performance in 2014

VECC #1

Ref: OEB Letter regarding overearnings dated December 17, 2015

Preamble: OEB Audit and Performance Assessment staff concluded Atikokan's regulatory ROE measured 28.33% in 2014 – 1,921 basis points above the target ROE that was the basis upon which its rates were established.

- a) Please provide Atikokan's return on equity and compare to the Board's approved return on equity for the years 2011, 2012, 2013, 2014 and forecast for 2015.
- b) Please summarize the drivers for the over-earning in 2014.
- c) Please explain why Atikokan feels it is reasonable to apply an increase to its base rates given the over-earning in 2014.
- d) Does Atikokan expect that the over-earning was a one-time occurrence or will it continue?
- e) Please discuss the drivers for over-earnings in 2015, if applicable.
- f) Please provide Atikokan's pro forma for the 2014 and 2015 year illustrating the ROE for 2014 and expected ROE for 2015.
- g) Please discuss Atikokan's rationale for applying to adjust its base rates given its over-earnings in 2014.
- h) Please explain why Atikokan is not applying for an off-ramp as part of this application.
- i) Please discuss if Atikokan considered filing only for disposition of Group 1 deferral and variance account balances in accordance with Board policies, without applying for adjustments to its base rates. If not, why not?