



EB-2016-0056

Atikokan Hydro Inc.

Application for electricity distribution rates beginning May 1, 2017

**PROCEDURAL ORDER NO. 2 AND ISSUES LIST DECISION
March 24, 2017**

Atikokan Hydro Inc. (Atikokan Hydro) filed a cost of service application with the Ontario Energy Board (OEB) on October 4, 2016, under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B), seeking approval for changes to the rates it charges for electricity distribution, to be effective May 1, 2017.

The OEB issued Procedural Order No. 1 which approved the Vulnerable Energy Consumers Coalition (VECC) as an intervenor with cost award eligibility. Procedural Order No.1 also established the dates for filing of interrogatories and for Atikokan Hydro's reply to those interrogatories.

On March 23, 2017, OEB staff submitted a proposed issues list which was agreed to by all parties. The OEB has reviewed the proposed issues list and approves it as filed (see Schedule A).

At this time, the OEB will make provision for a settlement conference and further procedural steps.

Parties should be mindful that any settlement proposal must be supported with sufficient rationale for the settlement of every issue for which settlement is reached. Parties should indicate how the elements of the settlement proposal are consistent with the OEB's RRFE policy and other OEB policies, as well as prior applicable OEB decisions.

THE ONTARIO ENERGY BOARD THEREFORE ORDERS THAT:

1. A settlement conference among the parties and OEB staff will be convened on March 29, 2017 starting at 9:30 a.m. via teleconference. If necessary, the settlement conference will continue on March 30, 2017.
2. Any settlement proposal arising from the settlement conference shall be filed with the OEB on or before April 11, 2017. In addition to outlining the terms of any settlement, the settlement proposal should contain a list of any unsettled issues, indicating with reasons whether the parties believe those issues should be dealt with by way of oral or written hearing.
3. If there is no settlement proposal arising from the settlement conference, Atikokan Hydro shall file a statement to that effect with the OEB by April 4, 2017. In that event, parties shall file and serve on the other parties any submissions on which issues shall be heard in writing, and for which issues the OEB should hold an oral hearing by April 7, 2017.
4. The issues list for this proceeding, attached as Schedule A, is approved.

All filings to the OEB must quote the file number, EB-2016-0056, be made in searchable /unrestricted PDF format electronically through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Chris Codd at chris.codd@ontarioenergyboard.ca and OEB Counsel, Ian Richler at ian.richler@ontarioenergyboard.ca.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, March 24, 2017

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Schedule A

**Atikokan Hydro Inc.
2017 Distribution Cost of Service Application
Board File Number EB-2016-0056**

APPROVED ISSUES LIST

March 24, 2017

Atikokan Hydro Inc.
2017 Distribution Cost of Service Application
Board File Number EB-2016-0056
Approved Issues List

1.0 PLANNING

1.1 CAPITAL

Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:

- 1.1.1 customer feedback and preferences;
- 1.1.2 productivity;
- 1.1.3 compatibility with historical expenditures;
- 1.1.4 compatibility with applicable benchmarks;
- 1.1.5 reliability and service quality;
- 1.1.6 impact on distribution rates;
- 1.1.7 trade-offs with OM&A spending;
- 1.1.8 government-mandated obligations; and
- 1.1.9 the objectives of Atikokan Hydro and its customers.

1.2 OM&A

Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:

- 1.2.1 customer feedback and preferences;
- 1.2.2 productivity;
- 1.2.3 compatibility with historical expenditures;
- 1.2.4 compatibility with applicable benchmarks;
- 1.2.5 reliability and service quality;
- 1.2.6 impact on distribution rates;
- 1.2.7 trade-offs with capital spending;
- 1.2.8 government-mandated obligations; and
- 1.2.9 the objectives of Atikokan Hydro and its customers.

2.0 REVENUE REQUIREMENT

- 2.1 Are all elements of the revenue requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?

- 2.2 Has the revenue requirement been accurately determined based on these elements?

3.0 LOAD FORECAST, COST ALLOCATION and RATE DESIGN

- 3.1 Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of Atikokan Hydro's customers?
- 3.2 Is the proposed cost allocation methodology, and are the allocations and revenue-to-cost ratios, appropriate?
- 3.3 Are Atikokan Hydro's proposals for rate design appropriate?
- 3.4 Are the proposed Retail Transmission Service Rates appropriate?

4.0 ACCOUNTING

- 4.1 Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?
- 4.2 Are Atikokan Hydro's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts and the continuation of existing accounts, appropriate?