



Sioux Lookout Hydro Inc.
P.O. Box 908, 25 Fifth Ave.
Sioux Lookout, ON P8T 1B3
Tel: (807)737-3800
Fax: (807)737-2832
Email: info@siouxlookouthydro.com

January 11, 2022

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th Floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Long:

Re: Sioux Lookout Hydro Inc. – Request to Defer 2023 Cost of Service Rate Application

On December 1, 2021, the Ontario Energy Board (“OEB”) issued a letter identifying those electricity distributors that are scheduled to file Cost of Service (“COS”) Rate Applications for 2023 Electricity Distribution Rates. Sioux Lookout Hydro Inc. (“SLHI”) is included in the OEB’s 2023 rebasing list for rates effective May 1, 2023.

In the letter the OEB invited electricity distributors who are scheduled to file a COS application for the 2023 rate year to submit expressions of interest to defer rebasing to a later year, up to 2025.

This letter is to confirm that SLHI is requesting to defer rebasing rates for a three (3) year period such that Sioux Lookout Hydro would file a COS Rate Application for rates effective May 1, 2026 to be submitted by August 31, 2025.

Sioux Lookout Hydro’s request is supported by the following financial and non-financial performance since the last rebasing in 2018:

Scorecard

Regulatory Return on Equity	2018	2019	2020
Deemed	9.00%	9.00%	9.00%
Achieved	9.43%	8.41%	8.07%
System Reliability			
SAIDI	1.41	0.85	1.34
SAIFI	0.78	0.47	1.14
Efficiency Assessment	3	2	2

In 2019 SLHI moved from Efficiency Assessment Group 3 to the more efficient Group 2. This position was maintained for 2020 and SLHI anticipates it will maintain this level for the next three years.

Capital Expenditures

SLHI's budgeted to actual capital expenditures for 2018 to 2021 have remained relatively consistent with the Distribution System Plan submitted with the 2018 COS rate application. SLHI does not forecast any significant new capital expenditures that would require an Incremental Capital Module (ICM) request during the deferral period.

Capital Expenditures	2018	2019	2020	2021
Budgeted	598,000	401,256	625,728	315,333
Actual	566,037	309,361	669,084	340,657*
Variance	-31,963	-91,895	43,356	25,324
*Unaudited				

If you require any further information, please contact the undersigned at (807)737-3800 or via email at dkulchyski@siouxlookouthydro.com.

Sincerely,



Deanne Kulchyski, CPA, CGA, BComm(Hons)
President/CEO