Sioux Lookout Hydro Inc.

Response to OEB Staff Questions

EB-2022-0062

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Please note, Sioux Lookout Hydro Inc. is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB’s *Rules of Practice and Procedure*.

**Staff Question-1**

**Ref:**

1. Rate Generator Model

**Question:** OEB staff has made the following generic updates in the Rate Generator Models attached:

1. Updated the [IPI Inflation Factor](https://www.oeb.ca/sites/default/files/OEB_ltr_2023_inflation%20updates_20221020.pdf) to 3.70 % in Tab 16 and Tab 17
2. Updated the Smart Meter Entity (SME) Charge in Tab 17 to $0.42
3. Updated the [Ontario Electricity Rebate](https://www.oeb.ca/newsroom/2022/ontario-energy-board-announces-changes-electricity-prices-households-and-small) in Tab 20 to 11.7% (as of November 1, 2022)
4. Updated the [electricity prices](https://www.oeb.ca/newsroom/2022/ontario-energy-board-announces-changes-electricity-prices-households-and-small) under the RPP in tab 17 and tab 20
5. Applied a 3.70% Inflation Factor for the [Wireline Pole Attachment Charge](https://www.rds.oeb.ca/CMWebDrawer/Record/760272/File/document) and [Retail Service Charges](https://www.rds.oeb.ca/CMWebDrawer/Record/760266/File/document) in Tab 17
6. Updated regulatory charges effective January 1, 2023, for the Wholesale Market Services rate and the Rural or Remote Electricity Rate Protection charge ([EB-2022-0269](https://www.rds.oeb.ca/CMWebDrawer/Record/764059/File/document)) in Tab 17
7. Updated 2023 [Uniform Transmission Rates](https://www.rds.oeb.ca/CMWebDrawer/Record/764048/File/document) and [Host-RTSRs](https://www.rds.oeb.ca/CMWebDrawer/Record/762653/File/document) in Tab 11

Please confirm the updates in the attached model.

**Response:**

SLHI Confirms the updates in the 2023 IRM rate generator model.

**Staff Question-2**

**Ref:**

**Question:** The 2021 CDM Guidelines (section 8) require distributors filing an application for 2023 rates to seek disposition of all outstanding LRAMVA balances related to previously established thresholds, including approval of LRAM-eligible amounts in future years (arising from persisting savings) until a distributor’s next rebasing application, unless a distributor does not have complete information on eligible savings.

1. Please confirm that Sioux Lookout Hydro will not be seeking to dispose of any balance in the LRAMVA due to LRAM-eligible CDM activities funded by the IESO through the Conservation First Framework or Interim Framework in a future year’s application.
2. If not confirmed, please explain why a request for disposition was not submitted as part of this application.
3. If confirmed, please also confirm that Sioux Lookout Hydro has verified that, relative to the LRAMVA threshold (if any) established in Sioux Lookout Hydro’s most recent rebasing application, the balance in the LRAMVA, and any prospective LRAM-eligible amounts until the next rebasing, are either zero or a debit (i.e., not a credit that would need to be refunded to customers).

**Response:**

1. SLHI confirms they will not be seeking to dispose of any balance in the LRAMVA due to LRAM-eligible CDM activities funded by the IESO through the CFF or Interim Framework in a future year’s rate application.
2. N/A
3. SLHI was approved an LRAMVA rate rider effective until April 30, 2023. Any residual balance is expected to be immaterial. We cannot confirm whether the balance after the rate rider expires will be a debit or a credit.

**Staff Question-3**

**Ref:**

1. Rate Generator Model

**Question:** Please confirm the accuracy of data in Tab 4 at reference 1 (Cell J4 on Tab 4 has not been filled).

**Response:**

SLHI confirms the accuracy of the data in Tab 4 and has updated Cell J4 int the model.

**Staff Question-4**

**Ref:**

1. Rate Generator Model, Tab 4. Billing Det. For Def-Var

**Question:** Sioux Lookout Hydro is requesting disposition of Account 1595 (2018) and has populated the percentage allocations by customer class in Tab 4, Column N. These percentage allocations should be derived from the information used to establish the rate riders originally. Please clarify how these percentages were derived and provide reference to previous filings.

**Response:**

SLHI derived the percentage allocations for the Account (2018) using the DVA Continuity Schedule from its 2018 Cost of Service Application EB-2017-0073. The file name is Sioux Lookout\_2018\_DVA\_Continuity\_Schedule\_CoS\_DRO\_20180920.xlsb. SLHI used Tab 5 - Allocation of Balances. However, upon reviewing the allocations discovered that the wrong totals were used to determine the allocations. The original application used the totals from row 76. SLHI has corrected the values using the totals from row 20 and updated the model to reflect the correct allocations. See the following table for the calculations:



*All of which is respectfully submitted.*