



PUBLIC INTEREST ADVOCACY CENTRE
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September 9, 2008

VIA COURIER AND 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: Atikokan Hydro Inc. – Draft Rate Order
2008 Electricity Distribution Rate Application (EB-2008-0014)

VECC has reviewed the Draft Rate Order filed with the Board by Atikokan Hydro Inc. (Atikokan) for rates effective October 1, 2008 and its only comments are with respect to Atikokan's cost allocation and rate design.

Pages 8-10 of the Draft Rate Order outline the Board's direction on cost allocation and rate design and Appendix contains the resulting rates. However, contrary to the direction in the Board's Decision (page 22), the materials do not provide the "detailed supporting information showing the calculation of the final rates". Of particular interest to VECC is how Atikokan Hydro Inc. addressed the fact that in the Cost Allocation Informational Run 2 used as the basis for the originally proposed revenue to cost ratios, the total revenue from all classes did not match the costs (see response to VECC IR #23 (b)). Also, there is no "proof of revenue" calculation demonstrating that the proposed rates reconcile with the approved revenue requirement.

Thank you.

Yours truly,

Original signed

Michael Buonaguro
Counsel for VECC