



BY EMAIL

May 27, 2025

Deanne Kulchyski
President & CEO
Sioux Lookout Hydro Inc.
Email: dkulchyski@siouxlookouthydro.com

Dear Deanne Kulchyski:

**Re: Application for 2026 Electricity Rates
OEB File No. EB-2025-0009**

This letter is in response to your letter, filed April 28, 2025, requesting a deferral of Sioux Lookout Hydro Inc.'s (Sioux Lookout Hydro) rebasing of its distribution rates beyond the 2026 rate year for one year. Sioux Lookout Hydro also confirmed that if the deferral request is granted, it intends to file for 2026 rates under the Price Cap Incentive Rate-setting mechanism.

The OEB has considered the request in light of the OEB's [letter of December 1, 2021](#), which outlines the OEB's approach to deferral requests. Sioux Lookout Hydro was previously granted a three-year deferral request in 2023. This approval represents the maximum number of years that the OEB's deferral policy allows. Based on Sioux Lookout Hydro's unforeseen resourcing challenges, the fact that it is a very small utility, and recognizing Sioux Lookout Hydro's placement in Group I of the OEB's 2023 Pacific Economics Group benchmarking update¹, the OEB grants Sioux Lookout Hydro's request to defer its 2026 cost of service application on an exception basis. The OEB will also set Sioux Lookout Hydro's rates on an interim basis commencing with the start of its 2026 rate year. Sioux Lookout Hydro can expect that its 2026 rates will be reviewed and, at the OEB's discretion, finalized as part of Sioux Lookout Hydro's 2027 rebasing.

The OEB will place Sioux Lookout Hydro on the list of distributors whose rates will be scheduled for rebasing for the 2027 rate year. If the rebasing application is not filed by the commencement

¹ Report of the OEB - Empirical Research in Support of Incentive Rate-Setting: 2023 Benchmarking Update, July 2024

of the 2027 rate year, Sioux Lookout Hydro's rates will remain interim until Sioux Lookout Hydro files a rebasing application. Additionally, there is no availability of an Incremental Capital Module for 2026 rates and the OEB will not require Sioux Lookout Hydro to file a Distribution System Plan during this deferral period.

If Sioux Lookout Hydro files an application for 2026 rates, the OEB expects Sioux Lookout Hydro to adhere to the process for Price Cap Incentive Rate-setting applications for the 2026 rate year.

Yours truly,

Ritchie Murray
Acting Registrar