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BY E-MAIL ONLY

June 8, 2018

Mr. Jay Shepherd
Shepherd Rubenstein Professional Corporation
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Dear Mr. Shepherd:

**Re: Sioux Lookout Hydro Inc. 2018 Rates
Ontario Energy Board File No.: EB-2017-0073**

Thank you for your letter of April 11, 2018 seeking intervenor status in EB-2017-0073 and asking that the Ontario Energy Board (OEB) to place certain documents on the record of the application.

The request for intervenor status will be addressed by the OEB in a procedural order.

This letter deals with your request for information to be placed on the record of the proceeding.

As you know, the 2018 rebasing application of Sioux Lookout Hydro Inc. (SLHI) is being considered as part of the OEB's pilot of a new proportionate review approach. The OEB shared the details of its proportionate review pilot with affected stakeholders in meetings prior to initiating the current pilot. As part of those meetings, the OEB indicated its intention to further stakeholder the results of the pilots once it had completed its review of the two cost of service/rebasing applications which are currently the subject of the pilots.

Much of the information you have requested relates to the nature of the pilots and of the proportionate review, rather than to matters relevant to SLHI's rate case. Once we have

completed the pilots, we intend to conduct our own review and assessment of the pilots and to share information that is relevant to assessing the proportionate review pilots with affected stakeholders.

As part of the post-pilot review, we will provide copies of the Initial Triage Model used for the pilots. As you have noted, these models were used in a limited way by OEB staff to conduct an early in-depth review of SLHI's performance history, the current rebasing application and the alignment of proposals within the application with OEB policy. Because the models are still under development, they were not a determinative factor for either staff to formulate its recommendations, or for the Registrar to make her Decision on the Scope of the Hearing.

In terms of the other information you have requested, all communications that were considered by the Registrar in her decision are on the record of the proceeding. Communications that are not explicitly on the record are:

1. The initial telephone conversation between the OEB's VP Applications and the President and CEO of SLHI seeking the applicant's consent to have the application used as a pilot. This call took place after the application was filed. The applicant was concerned that there could be a delay in setting rates beyond the requested date of May 1, 2018. In response, the applicant was advised that if a delay occurred, OEB staff would recommend to the OEB that an interim rate order be made to allow for the possibility of recovery of approved revenue from the requested date and that OEB staff would support a May 1 effective date subject to any further delays that may occur over the course of the formal hearing. OEB staff also indicated that there could be a possibility of reviews or appeals based on the novelty of the process being used and that in the case of a review or appeal based on the OEB's review methodology (as opposed to matters within SLHI's application), staff would recommend that SLHI not bear the costs of any such reviews or appeals.
2. Conversations between OEB staff and the applicant in order to understand the application and assist in preparing questions. All matters of substance discussed in these conversations were reflected in questions sent to the applicant.
3. Emails exchanged between OEB staff and the applicant dealing with logistics, e.g. setting up times for phone calls, dealing with timing of questions and answers and similar matters.

There were no communications specifically related to the SLHI application between OEB staff and the Registrar before the application was filed, although the concept of using one or more 2018 cost of service applications as pilots in the proportionate review

process was generally discussed. After the application was filed, the Registrar was verbally informed that SLHI had consented to the use of its application as a pilot, but the content and substance of the application was not discussed between the Registrar and OEB staff before the Report to the Registrar was delivered.

The Decision on the Scope of the Hearing was made pursuant to a general delegation, which gives the Registrar the power to determine what issues raised by an application will be reviewed through a hearing, and for what issues costs will be offered. Section 6(4) of the *Ontario Energy Board Act, 1998* empowers a delegated decision maker such as the Registrar to make determinations without a hearing.

The final decision on just and reasonable rates, including the rate order, will be made by an adjudicative panel of Board members. That panel will have access to the entire record of the proceeding.

If you have any questions, please contact Legal Counsel Lawren Murray at Lawren.murray@oeb.ca or 416-440-7743.

Yours truly,

Original Signed By

Kristi Sebalj
Registrar