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January 28, 2021

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge St.
Suite 2700, P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Long

**RE: Atikokan Hydro Inc.
Expression of Interest to Defer 2022 Cost of Service Application and
Distribution System Plan**

Atikokan Hydro Inc. ("Atikokan") is listed on the Ontario Energy Boards ("OEB") letter dated December 16, 2020 as a distributor scheduled to file a cost of service application for 2022 rates. Atikokan is writing to seek a two-year deferral of its Cost of Service ("COS") application and Distribution System Plan scheduled for May 1, 2022 rates. This two-year deferral request is being made in response to the Board's December 16, 2020 letter that invited interested electricity distributors that are scheduled to file a cost of service application for 2022 to 2024 to submit expressions of interest for a deferral to rebase in subsequent years up to 2025.

Atikokan completed its last COS application (EB-2016-0056) for rates effective May 1, 2017.

With the existing rates and if increased by the Price Cap IR formula for both 2022 and 2023, the rates are sufficient to maintain the safe, reliable and high quality service our customers expect. For ease of reference, the ROE for the most recent three years are indicated in the chart below. The 2020 ROE is not available at this time. This chart reflects Atikokan has maintained a Return on Equity within +/- 300 basis points of its Board-Approved ROE of 8.78%.

	Deemed ROE	Achieved ROE
2017	8.78%	9.46%
2018	8.78%	11.21%
2019	8.78%	7.62%

In addition to the achieved ROEs, Atikokan has maintained a satisfactory scorecard performance. The 2019 PEG report data shows Atikokan fell within the group 3 cohort, whereby considered average efficiency. Atikokan has further met system reliability targets.

The expense required to file a COS application would not be prudent at this time given Atikokan's ability to maintain service with a Price Cap increase in 2022 and 2023.

Atikokan would also like to note given the OEB filing requirements and cost of service applications are under review and that Atikokan is a small LDC, the findings and outcome of this modernization review will inform Atikokan before a full Cost of Service rate application is completed. The expense of a COS and the direct financial impacts to our ratepayer may not be necessary if feasible alternatives with lessened requirements is explored as part of the outcomes.

Atikokan's customer base and load has been relatively consistent; no growth to date since the last COS; however, Atikokan Hydro anticipates a new general service greater than 50 customer late 2021. Construction of the new build is underway. Atikokan does not typically experience growth. It would be of greater benefit to have the new load with actual data included before a load forecast is completed.

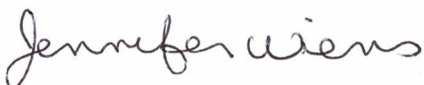
In addition, the current COVID-19 pandemic has increased the workload, straining the workforce. The COS has many integrate parts requiring careful attention to detail and is a significant undertaking under normal conditions. With COVID-19 it adds additional pressure and barriers to completing a COS on or before the anticipated filing date of August 31, 2021.

Atikokan will continue to monitor its performance, COVID-19 impacts, and the modernization review with possible impacts to COS requirements in assessing the reasonableness to file a full Cost of Service application and Distribution System Plan. Atikokan will inform the OEB should the distributor recognize there is reason found to be prudent to rebase.

For the reasons outlined above, Atikokan requests to defer the Cost of Service application and Distribution System Plan from the schedule to file for 2022 rates and continue under the Price Cap IR framework for rates effective May 1, 2022 and 2023.

Should the OEB have any questions regarding this request, please contact the undersigned.

Thank you



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