

Ontario Energy Board
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Commission de l'énergie de l'Ontario
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BY E-MAIL

March 9, 2022

Deanne Kulchyski, President / CEO
Sioux Lookout Hydro Inc.
P.O. Box 908, 25 Fifth Ave.
Sioux Lookout, ON P8T 1B3
dkulchyski@siouxlookouthydro.com

Dear Ms. Kulchyski:

**Re: Application for 2023 Electricity Rates
OEB File No. EB-2022-0062**

This letter is in response to your letter expressing an interest to defer Sioux Lookout Hydro Incorporated's (SLHI) rebasing of its rates beyond the 2023 rate year for three years.

The OEB has reviewed the letter and based on SLHI's financial and service quality performance is approving SLHI's request to defer its 2023, 2024, and 2025 cost of service applications. The OEB will place SLHI on the list of distributors whose rates will be scheduled for rebasing for the 2026 rate year, including the filing of a distribution system plan (DSP). The OEB also notes that a Z factor claim was recently approved for SLHI that may affect future ROE due to out-of-period revenue.

If SLHI intends to seek a rate adjustment for 2023 to 2025 rates, the OEB expects SLHI to adhere to the process for Price Cap Incentive Rate-setting applications for the 2023 to 2025 rate years.

The OEB's [letter of December 1, 2021](#), outlined changes to the OEB's approach to deferrals. With this deferral approval, SLHI must file a cost of service application for 2026 rates. If the rebasing application is not filed by the commencement of the 2026 rate year, the OEB will declare SLHI's rates interim until SLHI files a rebasing application. Additionally, there is no availability of an Incremental Capital Module for 2023 to 2025 rates and the OEB will not require SLHI to file a DSP during this deferral period.

Yours truly,

Nancy Marconi
Registrar