



PUBLIC INTEREST ADVOCACY CENTRE
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April 14, 2025

OEB VIA - RESS

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street
Toronto, ON
M4P 1E4

Dear Ms. Marconi:

Re: Atikokan Hydro Inc.'s Application for 2025 Electricity Distribution Rates
OEB File Number: EB-2024-0008
VECC's DRO Comments

Set out below are VECC's comments on the Draft Rate Order ("DRO") in the above referenced proceeding, pursuant to the OEB's Decision and Order on March 27, 2025. VECC's comments deal with two areas:

Cost Allocation.

In the Settlement Proposal approved by the Board¹ Atikokan Hydro agreed to:

"balance its revenue requirement across customer classes by moving the revenue to cost ratios to the edge of the OEB range, if outside of the range, and then beginning with the lowest revenue to cost ratios, as determined by the cost allocation model, increasing it until it matches the next lowest revenue to cost ratio, then continuing to increase each in this manner until the revenue requirement is balanced."

In the Settlement Proposal this was achieved by: i) reducing the ratio for Street Lighting from 120.58% to 120.0% and ii) increasing the revenue to cost ratio for the GS>50 class from 84.88% to 85.07%².

In the Cost Allocation Model filed with the DRO the status quo revenue to cost ratios changed slightly, but the Street Lighting ratio still exceeded 120% (120.49%) and the GS>50 class still had the lowest ratio (85.07%). However, instead of increasing the revenue to cost ratio for the GS>50 class, Atikokan has offset the revenue loss from decreasing the Street Lighting ratio to 120% by increasing the ratio for the Residential class from 98.84% to 98.92%.³

¹ Decision and Order EB-2024-0008, Schedule A, page 23

² Atikokan DRO, page 10

³ Atikokan DRO, page 10

VECC appreciates that the impacts on the Residential and GS>50 classes are small. However, VECC believes it is important that the integrity of the Settlement Proposal as agreed to by the Parties and approved by the Board be maintained. As a result, VECC submits that Atikokan should be directed to offset the revenue loss from decreasing the Street Lighting ratio to 120% by increasing the ratio for the GS>50 class, leaving the ratios for all other customer classes unchanged.

Cost of Capital

As part of the DRO, Atikokan Hydro appropriately updated the Cost of Capital parameters for 2025.⁴ VECC notes that the Revenue Requirement Work Form reflects this update however Appendix 2-OA of the Chapter 2 Appendices does not. Although this correction does not impact the 2025 Revenue Requirement calculation or the resulting rates, VECC recommends that Appendix 2-OA be updated for consistency.

Yours truly,



Shelley Grice
c/o Geoff White
VECC Counsel

⁴ Atikokan DRO, page 8