



Ontario
Energy
Board

Commission
de l'énergie
de l'Ontario

Ontario

DECISION AND ORDER

EB-2018-0271

ALGOMA POWER INC. AND DUBREUIL LUMBER INC.

**Application for approval for Dubreuil Lumber Inc. to sell its
distribution system to Algoma Power Inc. and Related Matters**

BEFORE: **Cathy Spoel**
Presiding Member

Lynne Anderson
Member

April 4, 2019

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1 INTRODUCTION AND SUMMARY

This is the Decision and Order of the Ontario Energy Board (OEB) regarding an application (Application) filed by Dubreuil Lumber Inc. (Dubreuil) and Algoma Power Inc. (Algoma) (collectively, the Applicants). The transaction proposed by the Applicants is for OEB approval for Dubreuil to sell its distribution system to Algoma, and for Algoma to incorporate that system into its existing regulated distribution business (Proposed Transaction), and to deal with licensing and rate-related matters associated with the Proposed Transaction.

The request for approval of the sale was made pursuant to Section 86 of the *Ontario Energy Board Act, 1998*¹ (OEB Act) which states that no transmitter or distributor, without first obtaining from the OEB an order granting leave, shall, sell, lease or otherwise dispose of its transmission or distribution system as an entirety or substantially as an entirety.

Algoma is a licensed electricity distributor that owns and operates the electricity distribution system in the Algoma District of Ontario while Dubreuil is a licensed electricity distributor that owns the electricity distribution system in the Township of Dubreuilville (Dubreuilville). Currently, Algoma operates the Dubreuil distribution system pursuant to an Interim Distribution Licence issued under Section 59 of the OEB Act.

Algoma was appointed as the interim operator of the Dubreuil distribution system on April 4, 2017 after Dubreuil advised the OEB that it would not be able to continue providing distribution service beyond April 27, 2017 due to financial and staffing issues.² The Dubreuil distribution system has never been rate-regulated by the OEB. Given the unique context and considerations of Algoma being the interim operator of the Dubreuil distribution system, the Application differs from typical mergers, acquisitions, amalgamations and divestitures (MAADs) applications. The OEB considered this context in reaching its findings.

Algoma is also seeking OEB approval, pursuant to Section 78 of the OEB Act, for the classification of customers in the acquired Dubreuil service area in accordance with Algoma's existing rate classes upon the closing of the Proposed Transaction. Customers in the former Dubreuil service area would then be billed in accordance with Algoma's approved Tariff of Rates and Charges. Algoma is also requesting approval for recovery of a portion of the capital and operating costs Algoma has incurred as the

¹ S.O. 1998, c. 15 Schedule B

² Order EB-2017-0153, April 4, 2017. Included in the Application as Exhibit C/Tab 2/Attachment 1/Appendix A

interim operator of Dubreuil's system; these costs are currently tracked in a deferral account approved by the OEB when Algoma was appointed as the interim operator of Dubreuil's system.

Additionally, Algoma requests the amendment of Algoma's Electricity Distribution Licence to include Dubreuilville and to add a condition to provide Algoma with limited relief from regulatory liability for circumstances arising from acquisition of the Dubreuil distribution system. Related requests were also made for the cancellation of Dubreuil's Electricity Distribution Licence and Algoma's Interim Distribution Licence to operate Dubreuil's distribution system. Requests on licensing matters are made pursuant to Sections 74 and 77 of the OEB Act.

Algoma proposes not to adopt a deferred rebasing period after acquiring the Dubreuil distribution system. Instead, Algoma plans to apply to rebase its rates, through a cost of service application for 2020, in accordance with the normal five-year schedule for the OEB's current Price Cap Incentive Rate-setting (Price Cap IR) approach. Finally, Algoma requests approval for the establishment of a new deferral account to record transaction and integration costs incurred by Algoma, for recovery from all Algoma customers after the acquisition, in lieu of a deferred rebasing period.

The OEB has applied the "no harm" test in assessing the Application in the context of the unique circumstances of this Application, and has concluded that the Proposed Transaction meets the test. The OEB therefore approves the sale of Dubreuil's distribution system to Algoma. The OEB also approves the additional requests made by the Applicants with certain conditions, with the exception of Algoma's proposed approach to cost allocation applicable to its next rebasing rate application.

2 APPLICATION AND PROCEEDING OVERVIEW

2.1 The Applicants

Algoma, a wholly owned subsidiary of FortisOntario Inc., has a distribution system that serves 11,554 customers.³ Algoma is licensed to provide electricity distribution services in numerous townships in the Algoma District of Ontario as well as north and east of the City of Sault Ste. Marie.

Dubreuil, a wholly owned subsidiary of Lucky Star Holdings Inc., has a distribution system that serves approximately 309 Residential and 44 Commercial/Industrial customers. Dubreuil owned and operated its distribution system, which served Dubreuilville, from 2012 to 2017. On April 4, 2017, Algoma was appointed the interim operator of the Dubreuil distribution system due to Dubreuil being unable to provide distribution services as a result of financial and staffing issues.

2.2 The Application

To facilitate the transaction, Algoma will pay Dubreuil a purchase price of \$45,000 and will assume certain liabilities. The Applicants seek OEB approval under Section 86 of the OEB Act for Dubreuil's proposed sale of its electricity distribution system, substantially in its entirety, to Algoma.⁴

The Applicants also seek OEB approval for the following:

- Cancellation of Dubreuil's Electricity Distribution Licence⁵ pursuant to Section 77(5) of the OEB Act
- Cancellation of Algoma's Interim Distribution Licence⁶ to operate Dubreuil's distribution system pursuant to Section 77(5) of the OEB Act
- Amendment of Algoma's Electricity Distribution Licence⁷ pursuant to Section 74(1) of the OEB Act by:

³ Customer count by rate class, as of June 30, 2018.

⁴ The Asset Purchase Agreement has specifically excluded the Rue des Pins Substation, assets used or related to the lumber business of Dubreuil, and any Dubreuil customer-owned secondary assets. No employees, fleet, office facilities, or IT systems are included in the proposed transaction. See also Exhibit D/Tab 1/Schedule 1/p. 1.

⁵ ED-2012-0074

⁶ ED-2017-0153

⁷ ED-2009-0072

- Adding Dubreuilville to the description of the service area in which Algoma is authorized to distribute and sell electricity
- Adding a condition to provide Algoma with limited relief from regulatory liability for circumstances arising from its acquisition
- The partial disposition of the balance recorded in Algoma's OEB-approved Interim Distribution Licence Deferral Account from Dubreuil customers pursuant to Section 78(2) of the OEB Act
- The establishment of a new deferral account to record transaction and integration costs incurred by Algoma, for recovery from all Algoma customers after the acquisition, in lieu of a deferred rate rebasing period, pursuant to Section 78(2) of the OEB Act
- The classification of customers acquired by Algoma in the Dubreuil service area in accordance with Algoma's existing rate classes upon the closing of the Proposed Transaction, after which they would be billed in accordance with Algoma's approved Tariff of Rates and Charges
- The endorsement by the OEB of Algoma's proposed approach to allocating costs attributable to the Dubreuil service area to be used, at the time of Algoma's next rebasing, primarily to R1 and R2 rate classes, which are eligible for Rural or Remote Electricity Rate Protection

Algoma proposes not to adopt a deferred rebasing period. Instead, Algoma plans to rebase its rates, through a cost of service application for 2020, in accordance with the normal five-year schedule for the OEB's current Price Cap IR rate adjustment approach. This will enable Algoma to reset its rates for all Algoma customers based on updated cost and load forecasts, including the addition of Dubreuil customers and associated demand, capital and operating costs; an updated Distribution System Plan; and updated cost allocation and rate design data and proposals.

2.3 The Process

The OEB issued a Notice of Application on November 28, 2018 inviting interested parties to register as intervenors or to file letters of comment with the OEB. No applications for intervenor status or letters of comment were received. On January 3, 2019, the OEB issued Procedural Order No. 1, in which it made provisions for interrogatories by OEB staff and responses from the Applicants.

The Applicants' responses to interrogatories were received by the OEB on January 28, 2019, and included one redacted response. A confidential, unredacted version of the

response was provided to the OEB in accordance with the OEB's *Practice Direction on Confidential Filings*.

In the Decision on Confidentiality and Procedural Order No. 2, issued February 6, 2019, the OEB determined that the OEB would not require public disclosure of the redacted interrogatory response, and that the application would proceed by way of a written hearing. The OEB established a schedule for the filing of an OEB staff submission and a reply submission from the Applicants. OEB staff filed its submission on February 21, 2019, and the Applicants filed their reply submission on March 7, 2019.

3 STRUCTURE OF THE DECISION

Section 5 of this Decision and Order pertains to matters associated with the MAADs elements of the Application while Section 6 pertains to rates-related matters. Sections 7 and 8 address the regulatory liability and rates implementation issues, respectively.

As highlighted in the *Handbook to Electricity Distributor and Transmitter Consolidations* (MAADs Handbook),⁸ rate-setting following a consolidation will not be addressed in a consolidation application unless the application possesses a rate proposal that is an integral aspect of the consolidation.⁹ Due to the unique circumstances of this Application, certain rates matters proposed by the Applicants are addressed in this Decision and Order.

⁸ https://www.oeb.ca/oeb/Documents/Regulatory/OEB_Handbook_Consolidation.pdf, January 19, 2016

⁹ MAADs Handbook, p. 11

4 HISTORICAL CONTEXT AND UNIQUE CONSIDERATIONS OF THE APPLICATION

4.1 Algoma Appointed Interim Operator of the Dubreuil Distribution System

Dubreuilville was established in the early 1960s as a company town by Dubreuil Brothers Limited (DBL). In connection with its lumber operations, and to supply Dubreuilville with electricity, DBL developed, owned and operated Dubreuilville's electricity distribution system. The shares of DBL were amalgamated into Dubreuil Forest Products Limited (DFPL) in 1989.¹⁰ However, in 2011, DFPL filed for bankruptcy, which resulted in the assets associated with the distribution system being transferred to Dubreuil. On March 5, 2012, the OEB issued an Electricity Distribution Licence to Dubreuil¹¹ for a term of one year. This licence, which was renewed annually until 2017, authorized Dubreuil to own and operate the distribution system in Dubreuilville.

The OEB received letters from Dubreuil on December 29, 2016 and February 17, 2017, advising that Dubreuil would not be able to continue providing distribution service beyond April 27, 2017 due to financial and staffing issues. On April 4, 2017, the OEB appointed Algoma as the interim operator for the Dubreuil service area, and issued Algoma an Interim Distribution Licence for this purpose.¹² Dubreuil was required to surrender possession and control of its distribution system. When issuing Algoma the Interim Distribution Licence, the OEB noted in its Order that, for Dubreuil to avoid falling into non-compliance with Section 57(a) of the OEB Act, Dubreuil shall renew its licence or dispose of its ownership interest in the Dubreuil distribution system (whether through sale or transfer of its assets) to another licensed electricity distributor. Further, the OEB indicated that it was appointing an interim operator because Dubreuil was likely to fail to meet its obligations related to the supply of electricity to its customers, and that it had selected Algoma because Algoma was Dubreuil's host distributor and had experience working with Dubreuil.

The OEB has since extended the term of the Interim Distribution Licence for additional six month periods, most recently¹³ extending the term to October 2, 2019.

As part of the April 4, 2017 Order, Algoma was required to provide the OEB with a Notice of Transition Report and a 60 Day Status Report. The purpose of these reports

¹⁰ Exhibit C/Tab 2/Schedule 1/p. 1

¹¹ ED-2012-0074

¹² EB-2017-0153, *op. cit.*

¹³ EB-2019-0126

was to provide the OEB with updates on the actions taken by Algoma to assume operational control of the Dubreuil distribution system. The reports highlighted concerns relating to metering and billing, health, safety and the environment, regulatory compliance, asset management, and reliability.¹⁴ Since being appointed the interim operator, Algoma has been addressing concerns outlined in the Notice of Transition Report and 60 Day Status Report in an effort to bring the Dubreuil distribution system into regulatory compliance.

4.2 Dubreuil Rates

The rates for Dubreuil have never been regulated by the OEB. Dubreuil was a customer of Algoma and was charged Algoma's rates as applicable to Dubreuil as a Residential R2 customer.¹⁵ Dubreuil, in turn, determined rates for customers in Dubreuilville so that it would recover the allocated portion of the bill charged to it by Algoma, as well as Dubreuil's own estimated system capital and operating costs, based on the metered consumption of each customer within Dubreuilville. Therefore, as Algoma's distribution rates, transmission rates and commodity costs changed, Dubreuil's rates also changed over time.

While Dubreuil's rates were not regulated by the OEB, documentation provided by Algoma states the following:¹⁶

[Dubreuil] has historically distributed electricity for a price that is no greater than that required to recover all reasonable costs, and has never had its distribution rates approved by the OEB. Distribution rates for [Dubreuil] customers have been determined on a monthly basis, in consideration of the total delivery charges and metered kWh indicated on [Dubreuil]'s invoice from [Algoma]. An additional fixed charge of \$23.76 and a variable rate of \$0.015/kWh have historically been added to the calculated distribution rate to cover [Dubreuil]'s own costs related to operation and maintenance of its distribution system. [Algoma] has continued to apply this historical rate-setting methodology on behalf of [Dubreuil] as required

¹⁴ Exhibit B/Tab 1/Schedule 1/p. 6

¹⁵ Demand-billed commercial customers of Algoma, including Dubreuil, are classified as Residential R2 in accordance with Ontario Regulation 445/07 to qualify for Rural and Remote Rate Protection. They would be classified as General Service > 50 kW customers if served by most other Ontario distributors.

¹⁶ Exhibit F/Tab 1/Schedule 1/p. 3

by the OEB [in the April 4, 2017 Order appointing [Algoma] as the interim operator].

There are two other aspects of Dubreuil's rate-setting which distinguish it from rate-regulated distributors in Ontario:

1. Dubreuil did not unbundle its rates in the same way that rate-regulated Ontario electricity distributors did, whereby the distribution component of the bill was separated from transmission and commodity components. However, Dubreuil did establish fixed and variable rates (to recover Dubreuil distribution charges as well as commodity, upstream transmission and distribution charges, and regulatory charges from Algoma), and maintained different billing categories for Residential and Commercial customers.¹⁷
2. Dubreuil was not subject to Ontario Regulation (O. Reg.) 424/06 and associated regulations (on the Smart Metering initiative in Ontario), and did not replace conventional meters with smart meters, as was required of all rate-regulated Ontario electricity distributors.

Dubreuil was treated as a customer of Algoma subject to Rural or Remote Electricity Rate Protection (RRRP),¹⁸ similar to Algoma's own Residential and General Service < 50 kW customers,¹⁹ in accordance with O. Reg. 442/01. Dubreuil's approach to allocating those charges and passing them on to other Residential and Commercial customers in Dubreuilville meant that all customers were implicitly afforded RRRP treatment.

¹⁷ Exhibit F/Tab 2/Schedule 1, p. 1

¹⁸ Per O. Reg. 445/07. See Exhibit C/Tab 1/Schedule 1/p. 5

¹⁹ Algoma's customer classes R1(i) and R1(ii), respectively.

5 DECISION ON AMALGAMATION

5.1 “No Harm” Test

In the assessment of MAADs applications since 2005, the OEB has applied the “no harm” test. The “no harm” test considers whether the proposed transaction will have an adverse effect on the attainment of the OEB’s statutory objectives. Where a proposed transaction is determined to have a positive or neutral effect on the attainment of these objectives, the OEB will approve the application. The OEB has applied the “no harm” test in assessing this Application considering the circumstances of the Proposed Transaction.

The OEB’s statutory objectives in carrying out its responsibilities in relation to electricity are set out in Section 1 of the OEB Act:

1. To protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service.
 - 1.1 To promote the education of consumers.
2. To promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry.
3. To promote electricity conservation and demand management in a manner consistent with the policies of the Government of Ontario, including having regard to the consumer’s economic circumstances.
4. To facilitate the implementation of a smart grid in Ontario.
5. To promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Government of Ontario, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities.

Algoma stated that it prepared the Application in accordance with the OEB’s *Filing Requirements for Consolidation Applications* in the MAADs Handbook.

Algoma requested that the OEB focus specifically on different elements of its statutory objectives than it would for typical consolidation transactions, given the unique circumstances of the Application. In particular, Algoma proposed that the focus of the

“no harm” test be on the objectives of reliability, quality of service and financial viability.²⁰

Findings

The OEB concludes that the Proposed Transaction meets the “no harm” test. The OEB agrees that this is a unique circumstance and assessed the transaction on the basis of its specific circumstances.

The OEB appointed Algoma the interim operator for the Dubreuil service area upon receipt of correspondence from Dubreuil that it would not be able to continue providing distribution service beyond April 27, 2017 due to financial and staffing issues. The correspondence confirmed that Dubreuil did not intend to apply for an extension of its existing licence and that it was agreeable to surrendering its existing licence. Dubreuil’s distribution system is embedded within Algoma’s distribution system. No other licensed electricity distributor has emerged or been identified as having an interest in acquiring the Dubreuil distribution system. The OEB considered this context in reaching its findings.

The OEB grants leave to Dubreuil to sell its electricity distribution system to Algoma. In addition, effective upon the closing of the Proposed Transaction, the OEB approves:

- The cancellation of Dubreuil’s Electricity Distribution Licence (ED-2012-0074)
- The cancellation of Algoma’s Interim Electricity Distribution Licence (ED-2017-0153)
- An amendment to Algoma’s Electricity Distribution Licence by:
 - Adding Dubreuilville to the service area description
 - Adding a condition to provide Algoma with limited relief from regulatory liability, as determined in Section 7 of this Decision and Order

Algoma shall notify the OEB of the closing date of the Proposed Transaction so that the licensing changes can be made.

In determining that the Proposed Transaction meets the “no harm” test, the OEB has focused on the objectives that are of most direct relevance to the impact of the proposed transaction; namely, reliability and quality of electricity service, financial

²⁰ Applicants’ Reply Submission, p. 4

viability and price. The OEB also took into consideration its other objectives. Each of these objectives is discussed in the sections that follow.

5.2 Reliability and Quality of Electricity Service

The MAADs Handbook requires consolidating utilities to indicate the impact that the proposed transaction will have on customers with respect to the quality and reliability of electricity service. In considering the impact of a proposed transaction on the quality and reliability of electricity service, and whether the “no harm” test has been met, the OEB is informed by, among other things, the metrics provided by the distributor in its annual reporting to the OEB and published in its annual scorecard.²¹

Following review of Algoma’s 2013 to 2017 System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) statistics, OEB staff noted that Algoma’s current and historical reliability metrics are fairly consistent based on the recent historical trend of Algoma’s performance. Dubreuil has not filed Reporting and Record Keeping Requirements (RRR) information with the OEB, and therefore no SAIDI or SAIFI statistics for Dubreuil were available for review.

Algoma emphasized that significant improvements²² in service reliability and quality have been made to the Dubreuil distribution system in the period since it became the interim operator in 2017. Most notably, through its response to an OEB staff interrogatory, Algoma outlined how it addressed unmetered and incorrectly metered loads which has reduced system losses in the Dubreuil distribution system. Algoma noted that system losses have been reduced from 26% in 2017 to 15% in 2018.²³

Based on the evidence filed, OEB staff submitted that Algoma can be expected to reasonably maintain and likely enhance the service quality and reliability of the Dubreuil distribution system. OEB staff submitted that the Proposed Transaction met the “no harm” test with regard to service quality and reliability.²⁴

²¹ MAADs Handbook, p. 4

²² For instance, decommissioning of the Rue des Pins Substation reduces the risk of extended outages to customers formerly served by this substation and addresses system loss and power quality issues related to operating the substation in an open-delta configuration.

²³ Response to Interrogatory OEB Staff-14

²⁴ OEB Staff Submission, p. 14

Findings

The OEB is satisfied that the Proposed Transaction will not only lead to no adverse impact with respect to the reliability and quality of service, but should lead to improvements in these areas for Dubreuil customers.

The Application notes that “[Algoma] is able to provide 24/7 on-call response from its Wawa work centre to address power outages, immediate safety concerns, and other operational emergencies in the Township of Dubreuilville”.²⁵ This should enhance services to customers.

Algoma stated that there has been insufficient reinvestment in the Dubreuil distribution system and there are significant deficiencies. The OEB anticipates that reliability and quality of service will be enhanced as Algoma invests in the Dubreuil distribution system.

5.3 Financial Viability

The MAADs Handbook indicates that the impact of a proposed transaction on the acquiring utility’s financial viability for an acquisition, or on the financial viability of the consolidated entity in the case of a merger, will be assessed. The OEB’s primary considerations in this regard are:

- The effect of the purchase price, including any premium paid above historic (book) value of the assets involved
- The financing of incremental costs (transaction and integration costs) to implement the consolidation transaction²⁶

OEB staff submitted that the Proposed Transaction is not expected to have a negative impact on Algoma’s financial viability.²⁷ The purchase price to be paid by Algoma for the acquisition of the Dubreuil distribution system is \$45,000 and the assumption of certain liabilities. OEB staff submitted that the purchase price is a nominal amount for which Algoma is not seeking cost recovery and therefore will not negatively impact the financial viability of Algoma. Further, OEB staff noted that Algoma has incurred, and will

²⁵ Exhibit E/Tab 2/Schedule 1/pp. 6-7

²⁶ MAADs Handbook, p. 8

²⁷ OEB staff submission, p. 15

continue to incur, significant costs to remediate and operate Dubreuil's distribution system.

Findings

The OEB finds that the Proposed Transaction meets the "no harm" test with respect to financial viability of both Algoma and the electricity industry. Due to financial and staffing issues, Dubreuil was no longer able to continue operations, which was a risk to the viability of its system. The OEB accepts Algoma's assertion that it has the necessary financial resources to invest in Dubreuil's distribution system in a manner that is cost-effective and avoids duplication.

5.4 Price

In order to demonstrate "no harm," applicants are typically required to show that there is a reasonable expectation based on underlying cost structures that the costs to serve customers following a consolidation will be no higher than they would otherwise have been.²⁸ With respect to price, the Applicants stated in the Application that applying the typical "no harm" test would be inappropriate given the OEB's determination that Dubreuil was likely to fail in meeting its obligation to supply electricity to customers in Dubreuilville and that continued operation of the system by Dubreuil is not a viable option.²⁹ The Applicants noted that due to the historical condition and compliance issues of Dubreuil's distribution system, Algoma has been making and will continue to make, investments and improvements in the Dubreuil distribution system. It was also stated that Dubreuil did not file RRR information with the OEB or segregate financial records of its non-regulated business activities from those of its distribution business.³⁰ As a result, the Applicants were unable to provide a comparative analysis of the historical cost structures of Algoma and Dubreuil.

Algoma proposed not to adopt a deferred rebasing period in the Application as allowed for in the MAADs Handbook. Instead, Algoma plans to apply to rebase its rates, through a cost of service application for 2020, in accordance with the normal five-year schedule for the OEB's current Price Cap IR rate adjustment approach.

To address OEB requirements related to cost structures, Algoma noted that it will be able to implement investments and improvements to the Dubreuil service area more

²⁸ MAADs Handbook, p. 7

²⁹ Exhibit E/Tab1/Schedule 1/p.3

³⁰ Exhibit E/Tab 2/Schedule 1/p. 1

efficiently and at a lower cost upon acquiring the Dubreuil distribution system than it would as the interim operator. In response to an OEB staff interrogatory, the Applicants provided estimates of incremental costs associated with inefficiencies in the event the Proposed Transaction did not proceed. It was estimated that incremental one-time costs would total \$23,000 while incremental annual costs would total \$192,000.³¹

In its submission, OEB staff highlighted the unique circumstances underpinning the Proposed Transaction. Further, OEB staff accepted the business case set out by Algoma that the transaction will be cost effective and efficient overall.³² OEB staff submitted that, in its first cost of service application following the sale of the Dubreuil distribution system, Algoma will be in a position to demonstrate any savings and efficiencies that have resulted from the acquisition.³³

Findings

The OEB is satisfied that the Proposed Transaction will result in underlying costs of service that are no greater than they would have been with Algoma continuing as the interim operator. On that basis, the “no harm” test is satisfied.

Algoma has stated that it will implement the necessary investments and operational improvements more efficiently and at a lower cost once it has acquired the assets than it could have as the interim operator. If it remained as the interim operator, Algoma identified additional costs that would be incurred to administer service agreements and allocate third-party costs between Algoma and Dubreuil.

Algoma stated that Dubreuil has been faced with significant challenges with respect to regulatory compliance and was facing a number of requirements for investment in its distribution system. The OEB recognizes that investments need to be made regardless of who owns the distribution system.

Algoma stated that it has incurred material costs as the interim operator to address critical deficiencies in the Dubreuil system. Algoma also identified further investment needed to bring the Dubreuil system in line with current regulatory, environmental, safety and technical standards.

The evidence showed that if the Proposed Transaction is approved, the bill impacts to customers of Dubreuil are a decrease of \$18.35 (-12.4%) per month for typical residential customers, and an increase of \$20.16 (+6.3%) per month for a typical small

³¹ Response to Interrogatory OEB Staff-11

³² OEB Staff Submission, p. 12

³³ OEB Staff Submission, p. 12

commercial customer.³⁴ It is on this basis that the OEB is accepting that the “no harm” test has been met related to price.

However, these bill impacts compare the electricity bills following the Proposed Transaction with the bills that would have been charged with Algoma as the interim operator. The bill impacts do not compare future bills against the amount customers are currently paying, as customers are not currently paying for Algoma’s costs as the interim operator. The OEB discusses this issue under Section 6.2 of this Decision and Order.

5.5 Other Statutory Objectives

The OEB Act includes statutory objectives related to the promotion of Conservation and Demand Management (CDM), implementation of a smart grid, promotion of renewable energy sources and education of consumers. In the Application, Algoma advised that it engages its customers through a variety of methods, such as surveys, bill inserts, social media, engagement activities, safety campaigns, and CDM initiatives.³⁵ Dubreuil’s existing customers have been incorporated into a number of Algoma’s existing customer engagement and education efforts, such as newsletters, surveys, and “Your Kilowatt Hour” sessions. Algoma expects that the cost of these activities will be lower in the future as a result of the Proposed Transaction.

In response to an OEB staff interrogatory, the Applicants highlighted consumer education efforts including how Algoma held a meeting with the Council of Dubreuilville followed by a town hall session for residents of Dubreuilville to describe the status of the completed and planned investments to address compliance and reliability issues in the Dubreuil distribution system.³⁶

Currently, the Dubreuil distribution system does not have any smart meter infrastructure. Instead, meters are read manually and billed using mechanical style meters.³⁷ Algoma has recommended, as outlined in the 60-Day Report filed with the OEB, that existing electromechanical meters be replaced with smart meters to bring the existing metering assets into compliance and prepare the system for the eventual implementation of advanced metering infrastructure. Through the Proposed

³⁴ Response to OEB staff IR 7. Residential customers using 750 kWh per month and commercial customer using 2,000 kWh per month.

³⁵ Exhibit E/Tab 2/Schedule 1/p. 7

³⁶ Response to Interrogatory OEB Staff-16, and Schedule 16

³⁷ Exhibit E/Tab 2/Schedule 1/p. 9

Transaction, Algoma will be able to fully integrate the Dubreuil distribution system assets whereas as an interim operator, the full integration of smart-grid related technologies may be complicated.

There have been no historical connections of distributed generation in the Dubreuil distribution system; however, Algoma expects that it will be able to accommodate any future requests for connection. Algoma also expects that as a result of the Proposed Transaction, barriers associated with connection will be reduced due to Algoma's ability to manage the acquired assets as part of its distribution system.³⁸

Findings

The OEB does not typically focus on these other statutory objectives in assessing the "no harm" test. This is because the OEB has implemented a number of instruments, such as codes and licences, and has ongoing performance monitoring, to ensure that all regulated distributors meet their obligations.

The OEB accepts that achievement of these objectives will be improved when Algoma becomes the licensed distributor owning and operating the system in Dubreuilville. As a non-rate regulated distributor, neither Dubreuil's licence nor Algoma's interim licence includes all of the typical conditions for an electricity distributor, such as a requirement to make CDM programs available to customers. The OEB concludes that Algoma will be better positioned to deliver on public policy goals for the electricity customers in Dubreuilville.

³⁸ Exhibit E/Tab 2/Schedule 1/p. 10

6 DECISION ON RATE PROPOSALS

As part of the Proposed Transaction, Algoma also requested that the OEB:

- Determine that customers in the Dubreuil service area (Acquired Customers) be classified in accordance with Algoma's existing rate classes and be billed in accordance with Algoma's approved Tariff of Rates and Charges
- Approve the disposition of the balance recorded in Algoma's Interim Distribution Licence Deferral Account
- Establish a new deferral account to record the transaction and integration costs incurred by Algoma as result of the Proposed Transaction
- Endorse its proposed approach to allocating costs attributable to the Dubreuil service area

The OEB addresses each of these requests in the sections that follow.

6.1 Classification of Customers

The Applicants noted that Dubreuil has historically distributed electricity for a price that is no greater than that required to recover all reasonable costs and that distribution rates for Dubreuil have never been approved by the OEB.³⁹ As a result of this rate setting approach, the Applicants stated that Dubreuil rates are insufficient to recover the costs associated with remediating the Dubreuil distribution system.

Current customers of Algoma are afforded rate protection under the RRRP plan. Dubreuil is a Residential R2 customer of Algoma; therefore, customers in Dubreuilville have indirectly received the benefit of RRRP when the Algoma bill is allocated among Dubreuil's customers. Algoma proposes that Dubreuil's Residential customers would be migrated to Algoma's R1(i) rate class and Dubreuil's Commercial customers would be initially migrated to the R1(ii) rate class.⁴⁰ On that basis, they would be eligible for rate protection under the RRRP.

³⁹ Exhibit F/Tab 1/Schedule 1/p. 3

⁴⁰ Customers that are treated as residential under O. Reg. 445/07, with a demand less than 50 kW and billed on an energy basis

O. Reg. 198/17, which includes further rate relief under the Distribution Rate Protection (DRP) program, states:

A consumer who has an account with [Algoma] that falls within the R1 residential-rate classification, if he or she resides continuously at the service address to which the account relates for at least eight months of the year.

Once Residential customers of Dubreuil become part of Algoma, they become eligible for the DRP program.

In their reply submission, the Applicants stated that they suspect a small number of Commercial customers in Dubreuilville may have monthly peak demands that are consistently greater than 50 kW. However, due to the lack of an accurate record of historical demand for customers in Dubreuilville, it would be difficult for Algoma to determine which Commercial customers to migrate to Algoma's R2 rate class. Algoma advised that as part of the meter replacement program that it is currently executing, it will be able to collect the necessary peak demand data going forward and determine which customers, if any, should be migrated to the R2 rate class at a later date.⁴¹ Due to these circumstances, Algoma submitted that the proposed approach to rates for the Acquired Customers, and the resulting bill impacts, are reasonable.⁴²

OEB staff submitted that it takes no issue with the assignment of Dubreuil's Residential and all Commercial customers to Algoma's R1 and R2 rate classes. OEB staff submitted that while the request to change rates at the time of the acquisition is not standard, it agrees with Algoma that the unique circumstances of the Proposed Transaction warrant unique consideration.⁴³

The Applicants clarified, through their reply submission, certain matters pertaining to OEB staff's submission regarding the classification of customers as R1 and R2. The Applicants highlighted that "...all of [Algoma]'s commercial and industrial customers, regardless of demand, are required by O. Reg. 445/07 to be treated as though they are residential-rate class customers for the purpose of RRRP eligibility."⁴⁴ As a result, the Applicants noted that Algoma's Commercial and Industrial customers are either classified as R1(ii)⁴⁵ or R2⁴⁶. Due to this, the Applicants submitted that, while there would be future bill impacts for Dubreuil customers arising from reclassification between

⁴¹ Applicants' Reply Submission, p. 15

⁴² *Ibid.*, p. 16

⁴³ OEB Staff Submission, p. 27

⁴⁴ Applicants' Reply Submission, p. 17

⁴⁵ Customers with an average demand < 50 kW that are billed based on energy

⁴⁶ Customers with an average demand > 50kW that are billed based on demand

demand billing and energy billing at the 50 kW threshold, these changes would not be the result of changes in RRRP eligibility.⁴⁷

Findings

The OEB approves Algoma's proposal to classify the Acquired Customers in accordance with Algoma's existing rate classes.

A customer class is a group of customers who use a similar amount of energy, or use energy in a similar way (for example, residential customers). A utility's total costs are divided among the customer classes to set rates. The cost to serve each customer in a particular class is similar, and therefore it is fair for all customers in a class to pay the same rate.⁴⁸

Based on Algoma's description of its service area and that of Dubreuil, the OEB agrees that the Acquired Customers are similar to Algoma's existing customers and can be included in Algoma's existing rate classes. Given the OEB's finding that the Acquired Customers will be included in Algoma's customer classes, those that fall within the R1 class will be eligible for the DRP.

6.2 Disposition of Interim Licence Deferral Account

Upon the closing of the Proposed Transaction, Algoma proposed to recover the following costs, currently being recorded in the Interim Licence Deferral Account⁴⁹, from all Acquired Customers through a monthly fixed rate rider:

- 50% of the 2017 total of OM&A, Cost of Power and Billed Revenue
- 100% of the 2018-2019 total of [actual and forecasted] OM&A, Cost of Power and Billed Revenue
- Amortization expense and return on capital for the 2017-2019 period
- Tax impacts associated with the above costs

⁴⁷ Applicants' Reply Submission, p. 17

⁴⁸ *Handbook to Utility Rate Applications*, Appendix 2: Glossary of Terms, p. ii

⁴⁹ EB-2017-0152, *op. cit.* The deferral account was established in item 1c. of the OEB Order appointing Algoma as the interim operator of Dubreuil.

- The net impact of the simple interest calculated on cumulative OM&A and amortization expense offset by the simple interest calculated on revenues from the resulting rate rider⁵⁰

Algoma further proposed that the disposition be approved on an interim basis, and that the costs be recovered over a six year period. Algoma calculated the amount of the disposition to be \$283,662 (including interest) and the rate rider to be \$11.16 per customer per month.⁵¹

OEB staff submitted that Algoma's proposal for partial disposition of the balance in the account on an interim basis through the proposed rate rider is reasonable. OEB staff also submitted that partial disposition at this time, on an interim basis, may serve to mitigate bill impacts faced by Dubreuil customers now and at the time of Algoma's next application to rebase rates.

Findings

The OEB approves disposition on an interim basis of a partial balance in the deferral account as proposed by Algoma, subject to any mitigation that may be required, as discussed below. Algoma has stated that the six-year disposition results in a reasonable bill impact. The bill impacts provided by Algoma compare the electricity bills following the Proposed Transaction with the bills that would have been charged with Algoma as the interim operator. As noted by the OEB in Section 5.4 of this Decision and Order, the bill impacts do not compare the proposed bills against what customers are currently paying. The OEB can therefore not readily assess whether the actual bill impact is reasonable.

In its responses to interrogatories, Algoma provided a table of the delivery rates charged by Algoma for the 20 months from May 2017 to December 2018 under its interim licence.⁵² The table shows how the charges change month by month to recover the delivery charges to Dubreuil. For the OEB to confirm the actual bill impacts to customers, the OEB requires Algoma to file a draft rate order that includes:

1. A calculation of the average total bill from January 1, 2018 to December 31, 2018 in the Dubreuil service area for a residential customer using 750 kWh per month and a commercial customer using 2,000 kWh per month

⁵⁰ Exhibit F/Tab 3/Schedule 1/p. 3

⁵¹ Exhibit F/Tab 3/Schedule 1 and the Algoma-Dubreuil Rate Rider Model filed in support of the Application.

⁵² Response to Interrogatory OEB Staff-3, Schedule 3(a)

2. The bill impact for a residential customer using 750 kWh per month and a commercial customer using 2,000 kWh per month from the 2018 average total bill to the total bill at Algoma's proposed rates (inclusive of the DRP)
3. If the bill impact is greater than 10%, file a rate mitigation plan, including Algoma's recommendation on whether there should be further mitigation beyond what Algoma proposed in its Application.

Upon review of these bill impacts, the OEB will make a final determination on the amount to be recovered on interim basis, and the time period for that recovery. The residual balance will remain in this deferral account until final disposition is complete.

6.3 Establishment of New Deferral Account

Algoma has stated that it will not have an opportunity to recover its transaction and integration costs through efficiencies because investments in the Dubreuil distribution system will be required to ensure compliance with regulatory requirements.

Algoma has proposed the establishment of a new Transaction and Integration Costs Deferral Account with an effective date for the account of April 4, 2017.⁵³ The transaction and integration costs proposed to be recorded in Algoma's new deferral account would be separate from the amounts Algoma has been permitted to record in the Interim Distribution Licence Deferral Account. Algoma included a Draft Accounting Order No. 1508 in support of this request.

In its submission, OEB staff acknowledged that synergies are not a key driver of the Proposed Transaction. However, OEB staff did submit that integration of Dubreuil's distribution system into Algoma's system should result in some synergies that may be relatively small, corresponding to the small increase in customers and assets for Algoma.⁵⁴

OEB staff also submitted that Algoma's proposal for the new deferral account was reasonable.

⁵³ Corresponding with the date that Algoma was appointed as the interim operator of Dubreuil by Order EB-2017-0153 and then establishment of the Interim Licence Deferral Account.

⁵⁴ OEB Staff Submission, pp. 28-29

Findings

The OEB approves the establishment of a new Transaction and Integration Costs Deferral Account effective September 24, 2018, the date on which this application was filed. Algoma had requested the new account be effective April 4, 2017. Establishing the account for a prior year would give rise to a retroactive adjustment that is generally not permitted.

The MAADs Handbook states that, “Incremental transaction and integration costs are not generally recoverable through rates”. Instead, the OEB allowed for a deferred rebasing period to provide an opportunity for a distributor to offset transaction costs with achieved savings. The OEB agrees with Algoma that, as this is a unique circumstance, it is appropriate to allow Algoma to recover its reasonable transaction and integration costs, effective the date of this Application.

6.4 Allocating Costs

In the Application, Algoma requests “that the OEB endorse its proposed approach of allocating costs attributable to the Dubreuil service area, at the time of [Algoma]’s next rebasing, primarily to [Algoma]’s R1 and R2 rate classes, which are eligible for Rural or Remote Electricity Rate Protection”.⁵⁵

In its submission, OEB staff considered Algoma’s request to be a request for a blanket endorsement of Algoma’s approach to its next cost allocation study. OEB staff submitted that Algoma should be proposing an approach that considers all of its existing customers (especially low volume customers), including its Acquired Customers, when allocating costs attributable to the Dubreuil service area. OEB staff noted that the OEB has already directed Algoma to file an updated cost allocation study in Algoma’s next cost of service application, and the specific details of Algoma’s cost allocation should be reviewed at that time.⁵⁶

The Applicants, through their reply submission, submitted that Algoma had only requested “that the current panel endorse the planned approach for allocating specific costs arising from the Proposed Transaction [emphasis in original]”⁵⁷, and not a blanket endorsement. The Applicants clarified the proposed approach in that “any costs that are added to [Algoma]’s revenue requirement at the time of its 2020 rebasing, which are a

⁵⁵ Exhibit B/Tab 1/Schedule 1/p. 4

⁵⁶ OEB Staff Submission, p. 33

⁵⁷ Applicants’ Reply Submission, p. 21

direct result of the interim operation and acquisition of [Dubreuil]'s distribution system, would be directly allocated primarily to [Algoma]'s R1 and R2 rate classes."⁵⁸

The Applicants further noted that while some customers may experience bill impacts as a result of Algoma's next cost allocation study, in order to satisfy the "no harm" test in the current proceeding, there cannot be future impacts to Algoma's legacy customers resulting from the Proposed Transaction. The Applicants submitted that their proposed approach would allow these costs to be integrated with Algoma's revenue requirement in a manner that ensures there will be no harm to Algoma's existing customers, but does not affect or pre-judge any other aspect of Algoma's next cost allocation study.

Findings

The OEB does not approve Algoma's proposed approach to allocating costs attributable to the Dubreuil service area in this proceeding. This is a matter that should be determined by the OEB panel hearing the rebasing rate application in which the allocated costs will be reviewed. However, the OEB agrees with Algoma that its approach to integrating Dubreuil costs into Algoma's revenue requirement should be done in a manner that ensures there is no harm to Algoma's existing customers.

⁵⁸ Applicants' Reply Submission, p. 20

7 REGULATORY LIABILITY

The Application requested that the OEB add a condition in Algoma's Electricity Distribution Licence to provide Algoma with limited relief from regulatory liability for circumstances arising from the acquisition of the Dubreuil distribution system, similar to a provision included in its Interim Electricity Distribution Licence.

Algoma noted that any specific circumstances or defects that Algoma may be inheriting through the Proposed Transaction are not and cannot be fully known at this time. If the OEB were to allow a specified time period for compliance, Algoma suggested that the OEB do so by including the requested licence condition, with a stipulation that the condition expires on a certain date, subject to the opportunity for Algoma to apply to the OEB to extend the expiry date if needed.⁵⁹

In its submission, OEB staff submitted that allowing Algoma a specified period in which to achieve compliance is reasonable, but noted that it would not be appropriate for the OEB to agree to "refrain" from carrying out its compliance and enforcement responsibilities under the OEB Act with regard to the Dubreuil distribution system. OEB staff noted that the licence provision highlighted by Algoma only applies to interim licensees, but that once the transfer of the Dubreuil distribution system to Algoma is complete, no other party other than Algoma would be liable for compliance with the OEB's codes and licence conditions. However, OEB staff submitted that it supports the inclusion of a condition in the amended Algoma Electricity Distribution Licence that would allow Algoma time to bring the Dubreuil distribution system into compliance with OEB Code provisions in a manner more consistent with the OEB's compliance and enforcement role under the OEB Act.

In its reply submission, Algoma indicated several concerns it had with OEB staff's recommendation. Algoma further stressed that while the public interest would be supported by the Proposed Transaction, the loss of liability protection creates a disincentive for Algoma to complete the Proposed Transaction. Algoma explained that its proposed licence condition would not preclude the OEB from investigating and requiring the resolution of compliance matters that could arise in respect of the Dubreuil distribution system and its customers.

Algoma, instead, proposed, that the following language be included as the condition in its Electricity Distribution Licence as follows:⁶⁰

⁵⁹ Response to Interrogatory OEB Staff-12

⁶⁰ Applicants' Reply Submission, pp. 6-7

The Board will refrain from enforcing regulatory requirements that are within its control insofar as such requirements relate to circumstances or defects inherited by the Licensee through its acquisition of the distribution system formerly owned by Dubreuil Lumber Inc. (as set out in former Electricity Distributor Licence ED-2012-0074 and Interim Electricity Distributor Licence ED-2017-0153) provided, however, that upon becoming aware of any such circumstance or defect relating to the acquired [Dubreuil] system [Algoma] shall take reasonable steps to address those circumstances or defects within a reasonable period.

Algoma suggested an expiry date of December 31, 2024 in which to achieve compliance in response to an OEB staff interrogatory; this proposal was supported by both OEB staff and the Applicants in their respective submissions.

Findings

The OEB accepts Algoma's proposal for the condition providing limited relief from regulatory liability in matters that are within the OEB's control. The OEB will grant this relief until December 31, 2024, coinciding with the end of Algoma's next five-year planning cycle and rate-setting. The OEB agrees with Algoma that this condition does not preclude the OEB from investigating and requiring resolution of any compliance matters.

However, it is important for the OEB to have information on any matters that Algoma has identified as being out of compliance. As the interim operator, Algoma filed with the OEB a Notice of Transition which stated:

Finally, through its initial meetings and discussions with [Dubreuil], and the development of the transition plan proposed herein, [Algoma] has noted a number of areas in which [Dubreuil] is not currently compliant with the various Codes referred to in Section 6 of the Licence. While [Algoma] will undertake all reasonable efforts to ensure compliance, it notes that additional costs and/or transition time may be required in order to achieve full compliance in some cases.⁶¹

The OEB requires Algoma to file a Compliance Plan with the OEB by April 1, 2021. This deadline provides two years for Algoma to complete a thorough assessment of the Dubreuil system, and to integrate the Acquired Customers into Algoma's system. This Compliance Plan shall describe all circumstances in which Algoma has found a matter

⁶¹ Notice of Transition, April 26, 2017, EB-2017-0153, p. 3

that is not in compliance with regulatory requirements, and its plan for addressing these matters.

8 IMPLEMENTATION ISSUES

The OEB directs Algoma to file a draft rate order for rates to be implemented upon completion of the Proposed Transaction based on the effective dates determined in this Decision and Order. In the draft rate order, Algoma is directed to include the calculations, and rate mitigation plan if necessary, as required by Section 6.2 of this Decision. Further, the OEB directs Algoma to revise its draft accounting order for the Transaction and Integration Costs Deferral Account to reflect an effective date of September 24, 2018, as noted in Section 6.3 of this Decision.

The Proposed Transaction will result in a major transition for the electricity customers of the Dubreuil service area. The OEB expects Algoma to develop and implement a communications plan to ensure the customers understand their service relationship with Algoma and their electricity bills. Algoma should report back on the execution of this communications plan in its next rebasing application.

Furthermore, in preparing for its next rebasing application, Algoma should engage with the Acquired Customers to ensure their feedback is considered in Algoma's future plans.

The OEB also directs Algoma to file a Compliance Plan with the OEB by April 1, 2021 in which it describes all circumstances in which Algoma has found a matter that is not in compliance with regulatory requirements, and its plan for addressing these matters.

9 CONCLUSION

The OEB is satisfied that that the Proposed Transaction meets the “no harm” test. The OEB therefore approves Dubreuil’s sale of its distribution system to Algoma.

The OEB also approves the following requests:

- The cancellation of Dubreuil’s Electricity Distribution Licence (ED-2012-0074)
- The cancellation of Algoma’s Interim Electricity Distribution Licence (ED-2017-0153)
- An amendment to Algoma’s Electricity Distribution Licence by:
 - Adding Dubreuilville to the service area description
 - Adding a condition to provide Algoma with limited relief from regulatory liability
- Algoma’s proposal to classify the Acquired Customers in accordance with Algoma’s existing rate classes
- Disposition on an interim basis of a partial balance in the Interim Licence Deferral Account as proposed by Algoma, subject to any mitigation that may be required, and continuation of this account until the final disposition is complete
- The establishment of a new Transaction and Integration Costs Deferral Account effective September 24, 2018, the date on which the Application was filed
- Algoma’s proposal for the condition providing limited relief from regulatory liability within OEB’s control
 - The OEB is granting this relief until December 31, 2024
 - Algoma is required to file a Compliance Plan with the OEB by April 1, 2021

The OEB denies the following request:

- Endorsement of Algoma’s proposed approach to allocating costs attributable to the Dubreuil service area in this proceeding

The OEB is establishing a condition of approval requiring the Applicants to notify the OEB of the completion of the acquisition. Once this notice is provided to the OEB, Dubreuil’s Electricity Distribution Licence and Algoma’s Interim Electricity Distribution

Licence will be cancelled following the amendment of Algoma's Electricity Distribution Licence.

10 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Dubreuil Lumber Inc. is granted leave to sell its distribution system to Algoma Power Inc.
2. The leave granted in paragraph 1 shall expire 18 months from the date of this Decision and Order. If the transaction has not been completed by that date, a new application will be required in order for the transaction to proceed.
3. Algoma Power Inc. shall notify the OEB of the completion of the transaction referred to in paragraph 1 above.
4. Once the notice referred to in paragraph 3 has been provided to the OEB, the OEB will amend the Electricity Distribution Licence of Algoma Power Inc. to include the Township of Dubreuilville to the description of the service area in which Algoma Power Inc. is authorized to distribute and sell electricity.
5. When the OEB issues the amended Electricity Distribution Licence to Algoma Power Inc., it will cancel the Algoma Power Inc.'s Interim Distribution Licence (ED-2017-0153) and will also cancel Dubreuil Lumber Inc.'s Electricity Distribution Licence (ED-2012-0074).
6. Algoma Power Inc. shall file a draft rate order, including all supporting documentation reflecting this Decision and Order, no later than **April 18, 2019**.
7. Algoma Power Inc. shall file a revised draft accounting order for the Transaction and Integration Costs Deferral Account with the OEB no later than **April 18, 2019**.
8. OEB staff shall file any comments on the draft rate order and draft accounting order with the OEB, and forward to Algoma Power Inc. no later than **May 3, 2019**.
9. Algoma Power Inc. shall file with the OEB any comments in response to OEB staff comments on the draft rate order and draft accounting order no later than **May 17, 2019**.
10. Algoma Power Inc. shall file a Compliance Plan with the OEB by April 1, 2021 in which it describes all circumstances in which Algoma Power Inc. has found a matter

that is not in compliance with regulatory requirements, and its plan for addressing these matters.

11. Algoma Power Inc. shall pay the OEB's costs of, and incidental to, this proceeding immediately upon receipt of the OEB's invoice.

DATED at Toronto April 4, 2019

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary