

RRRP Payment Excerpt

a. Are the criteria for protection under the Rural or Remote Electricity Protection program interdependent or individual? Is Garden River protected under this program?

RESPONSE:

Rate protection under the Rural and Remote Rate Protection (“RRRP”) is accorded to customers that are classified either in the Residential – R1 or Residential – R2 class. The description of these classes is shown below:

Residential – R1

This classification refers to a Residential service with a demand of less than, or is forecast to be less than, 50 kilowatts, and which is billed on an energy basis.

Residential – R2

This classification refers to a Residential service with a demand equal to or greater than, or is forecast to be equal to or greater than, 50 kilowatts, and which is billed on a demand basis.

For the purposes of rates and charges, a residential service is defined in two ways:

- i) a dwelling occupied as a residence continuously for at least eight months of the year and, where the residential premises is located on a farm, includes other farm premises associated with the residential electricity meter, and
- ii) consumers who are treated as residential-rate class customers under Ontario Regulation 445/07 (Reclassifying Certain Classes of Consumers as Residential-Rate Class Customers: Section 78 of the Ontario Energy Board Act, 1998) made under the Ontario Energy Board Act, 1998.

Therefore generally all consumers in Garden River classified as a Residential Customer as described above are protected under this program. The current exceptions are related to customers who do not fall into the subsidized category noted above. These are: Streetlights – the numbers are noted in Garden River First Nation question c, and; Seasonal customers – there are currently 18 accounts within Garden River First Nation who are classified as seasonal.

Note: As discussed in Exhibit 8, Tab 7, Schedule 1, API has requested the OEB reclassify streetlights into the subsidized class.

Item 1.

RRRP Payment Excerpt

b. Please explain what is meant in 1. "*the determination of funds available for rate assistance;*" and 2. "*the allocation of a part of those available funds to eligible customers as a RRRP payment.*" Does unavailability of funds occur often? Give example.

RESPONSE:

1. The statement, "*the determination of funds available for rate assistance;*" refers to the approval of API's annual revenue requirement from electricity distribution rates. The OEB approved revenue requirement represents the revenue required from API's customers for the delivery of electricity. Once approved, the portion of the revenue requirement that will be derived from Residential – R1 and Residential – R2 customers is separated from the total. The revenue to be derived from electricity distribution rates is determined by increasing the current rates by the average of the increases or decreases in rates awarded to all other electricity distributors in the province. The difference between the revenue that can be recovered through the adjusted distribution rates and the revenue requirement equals the funds available for rate assistance.
2. In this context, available funds refers to the RRRP determined in the response to part 1 of this interrogatory. Unavailability ought not to occur.

Item 1.

RRRP Payment Excerpt

c. Is Garden River First Nation charged for street lighting? Please provide Garden River with locations of street lights charged for?

RESPONSE:

Garden River has an account for 80 street lights. These lights are dispersed throughout Garden River.

Records indicate that there are:

- 5 – 150 Watt High Pressure Sodium Lights,
- 52 – 200 Watt High Pressure Sodium Lights, and
- 23 - 250 Watt High Pressure Sodium Lights

Item 2. Notice of Garden River First Nation Intervention Letter

f. Based on the requirement or moral duty of the Crown to accommodate and consult with First Nations concerning issues impacting First Nations, third parties moral duty to consult, Garden River's requirement to consult and accommodate with Garden River on issues impacting lands, resources and members as well as the and the established relationship between Garden River and Algoma Power (Great Lakes) – why was dialogue with Garden River overlooked and how can this be addressed in the future, so that First Nations can be a participant at the onset of such issues/applications/ decisions?

RESPONSE:

The Algoma Power Inc. (API) is not authorized to change rates charged for electricity in the province of Ontario. The Ontario Energy Board (OEB), through the rate application proceeding, will decide if it is just and reasonable to adjust rates that will be charged in the service area of API and what date those rates would be effective.

The rate application proceeding was initiated by API through its application to the OEB. Since the proceeding in itself is an open, transparent venue for discussion, questions and replies, the OEB provides notice through local papers and on its website whenever a utility like API has applied for rates. Anyone who would like to participate is welcome to submit for Intervenor status. With the intervenor status, Garden River First Nation will be fully informed of the entire proceeding, and able to pose questions and discuss issues that may arise as a result of the rate approval.

In advance of the application to the Ontario Energy Board, representatives of API visited each of the communities it serves, including Garden River First Nation. In those meetings, API informed the communities that a rate application would be forthcoming and some of the highlights of the application.

API has involved Garden River First Nation from a point which was ahead of the rates proceeding and welcomes the opportunity to continue this approach.

Item 3. First Nation Housing Conditions

g. Statistics Canada 2006 reported many First Nations' housing is in need of "major" repairs, which can be said is true for Garden River. Heat loss is a major issue. Has Algoma Power taken into consideration the conditions of First Nations housing? What types of programs does Algoma Power have or can introduce that would assist First Nations housing or poor housing conditions overall that would reduce cost in this area for consumers? For example, heat loss audits etc.

RESPONSE:

Algoma Power Inc. (API) has a number of energy conservation programs that have been and continue to be available. All of these programs are discussed in answer to Energy Probe question 20. In the past, there has been some participation in these programs by customers located within Garden River First Nation.

Representatives of API will continue to discuss these programs in the annual information sessions at each community.

Item 4. Electricity Distribution Licence, ED-2009-0072, Algoma Power Inc., Valid Until May 4, 2029 - EB-2009-0278, Exhibit 2, Tab 1, Schedule 1, Appendix A, Page 1 of 4

h. Please confirm if there are any issues with distribution system on land poles cross. If so, please disclose and provide detail.

RESPONSE:

API is unaware of any issues regarding band or INAC permissions that are not in place to cover off the poles that cross Garden River First Nation lands.

However, there is an administrative update required to administer a change in an Indian Act s28.2 permit from the name of Great Lakes Power Limited to that of Algoma Power Inc. as a result of Great Lakes Power Limited's sale of its distribution system in 2009 to Algoma Power Inc. The permit is in regard to a single 34.5 kV circuit that traverses the Garden River First Nation reserve.

API has begun discussions on this item with Garden River First Nation. API understands that a representative of Garden River First Nation will soon be contacting the company to continue discussions.