

EB-2009-0278
Algoma Power Inc.
Proposed Settlement Agreement
September 10, 2010

This settlement agreement (the “Settlement Proposal” or “Settlement Agreement”) is for the consideration of the Ontario Energy Board (the “Board”) in its determination of the Electricity Distribution Rate Application by Algoma Power Inc. (“Algoma” or “API”), EB-2009-0278, for 2010 and 2011 electricity distribution rates and the establishment of the 2010 and 2011 revenue requirement for the purposes of determining the Rural or Remote Rate Protection (“RRRP”) amount, all as amended by Algoma on June 7, 2010 (the “Application”). Algoma’s Application was received by the Board on June 1, 2010.

Pursuant to Procedural Order No. 1, dated July 20, 2010, a settlement conference was scheduled for August 25, 2010 (the “Settlement Conference”). The Settlement Conference was duly convened in accordance with Procedural Order No. 1 with Mr. George Dominy as the facilitator. The Settlement Conference concluded on August 25, 2010. Algoma and the following intervenors (the “Intervenors” and collectively including Algoma, the “Parties”) participated in the Settlement Conference:

Energy Probe Research Foundation (“EP”)
School Energy Coalition (“SEC”)
Vulnerable Energy Consumers Coalition (“VECC”)

By letter dated August 23, 2010, the Algoma Coalition advised that it was unable to attend the Settlement Conference. In its letter, the Algoma Coalition requested that the Board order stakeholder meetings to be held annually between Algoma and its stakeholders including the members of the Algoma Coalition. The Algoma Coalition’s request was not addressed in the Settlement Conference. Garden River First Nations and Great Lakes Power Transmission did not participate in the Settlement Conference.

The role adopted by the Board Staff in the Settlement Conference is set out on page 5 of the Board's Settlement Conference Guidelines (the "Guidelines"). Although Board Staff is not a party to this Settlement Agreement, as noted in the Guidelines, the Board Staff who did participate in the Settlement Conference are bound by the same confidentiality standards that apply to the Parties to the proceeding.

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Guidelines. The parties understand this to mean that the documents and other information provided, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly confidential and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal.

This Agreement represents a partial settlement of all issues. It is acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the Board's Rules of Practice and Procedure. The Parties explicitly request that the Board consider and accept this Settlement Agreement as a package. None of the matters in respect of which a settlement has been reached is severable. Numerous compromises were made by the Parties with respect to various matters to arrive at this comprehensive Settlement Agreement. The distinct issues addressed in this proposal are intricately interrelated, and reductions or increases to the agreed-upon amounts may have financial consequences in other areas of this proposal which may be unacceptable to one or more of the Parties. If the Board does not accept the Settlement Agreement in its entirety, then there is no settlement unless the Parties agree that those portions of the Settlement Agreement that the Board does accept may continue as a valid settlement.

According to the Settlement Guidelines (p.3), the Parties must consider whether a Settlement Agreement should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. The Parties who participated in

the Settlement Conference agree that no settled issue requires an adjustment mechanism other than those expressly set forth herein.

The parties agree that the following three issues will be addressed by way of a hearing for determination by the Board:

- A. What is the appropriate method of calculating the average rate adjustments of other distributors in order to calculate the rate increase for the customers of API, and the remaining amount that is payable under RRRP?
- B. Should API's proposal to recover amounts in Account 1572 Extraordinary Event Costs be approved?
- C. Should API's proposal to establish a new IFRS Deferral Account be approved?

The Parties have not reached a consensus on whether an oral hearing is required for any or all of the three outstanding issues. Any decision of the Board on these issues will not affect settlement on the remaining issues contained in this Settlement Agreement, but will affect the revenue requirement, rates, and RRRP amounts set forth in the attached Appendices.

It is also agreed that this Settlement Agreement is without prejudice to any of the Parties re-examining these issues in any subsequent proceeding and taking positions inconsistent with the resolution of these issues in this Settlement Agreement. However, none of the Parties will in any subsequent proceeding take the position that the resolution therein of any issue settled in this Settlement Agreement, if inconsistent with the terms of this Settlement Agreement, should be applicable for all or any part of the 2010 and the 2011 Test Year.

References to the evidence supporting this Agreement on each issue are set out in each section of the Agreement. Best efforts have been made to identify all of the evidence that relates to each settled issue. The identification and listing of the evidence that relates to each issue is provided to assist the Board. The identification and listing of the

evidence that relates to each settled issue is not intended to limit any party who wishes to assert that other evidence is relevant to a particular settled issue.

The Appendices to the Settlement Agreement provide further evidentiary support. The Parties agree that this Settlement Agreement and the Appendices form part of the record in EB-2009-0278. The Appendices were prepared by the Applicant. The intervenors are relying on the accuracy and completeness of the Appendices in entering into this Agreement.

There is no approved issues list for this proceeding. However, for the purposes of organizing this Settlement Agreement, and without prejudice to the positions of the Parties with respect to the issues that might otherwise be considered in this proceeding should a hearing be required, the Parties have followed API's proposed issues list as set out at Appendix "A" to this Settlement Agreement.

The other appendices attached to this Settlement Agreement are:

- "B" - API Proposed 2010 Tariff of Rates and Charges, Effective December 1, 2010
- "C" – Sheet O1, 2010 Cost Allocation Model arising from this Settlement Agreement
- "D" – The Rate Design Module arising from this Settlement Agreement
- "E" – Bill Impact Summaries arising from this Settlement Agreement
- "F" – API 2011 Revenue Deficiency arising from this Settlement Agreement
- "G" – API 2011 Revenue Requirement Work Form
- "H" – Correspondence from the Algoma Coalition to the Board; August 23, 2010
- "I" – Differences in Appendices if Account 1572 is not recovered from Ratepayers

Summary

In the Application, Algoma presented evidence supporting both a 2010 Test Year and a 2011 Test Year and proposed 2010 distribution rates effective July 1, 2010 and 2011 distribution rates effective January 1, 2011. The Settlement Agreement has its basis in the 2011 Test Year with distribution rates determined using the 2011 Base Revenue Requirement arising from this Settlement Agreement and the 2011 Load and Customer Forecast arising from the Application. Distribution rates are effective December 1, 2010 and are to be made interim on December 31, 2011.

Appendix "B", the API Proposed 2010 Tariff of Rates and Charges, Effective December 1, 2010 are premised on the 2011 revenue requirement and customer and load forecast arising from this Settlement Agreement and is provided for illustrative purposes. The Retail Transmission Service Charge Rates have been corrected as per Board Staff Interrogatory No. 49. API has assumed a 2.0% average increase in delivery charges for other LDCs for the purposes of calculating the local rates and the RRRP amount. This is the subject of unsettled issue #A set forth above. In Appendices B through H, matters related to the recovery of the Extraordinary Event (noted in part 9a following) are consistent with the Application. Appendix "I" identifies and quantifies the changes to those Appendices if Account 1572 is found not to be recoverable from the ratepayers.

The following table summarizes the settlement on the key ratemaking components:

Summary Comparison – Application Vs. Settlement		
Key Rate Making Components	Application (2011)	Settlement (2011)
Rate Base (Exhibit 2)		
Rate Base	\$76,864,742	\$76,827,242
Allowance for Working Capital	\$4,150,138	\$4,112,638
Capital Expenditures	\$10,869,825	\$10,869,825
Operating Costs (Exhibit 4)		
OM&A	\$9,670, 207	\$9,420,207
Amortization	\$4,512,684	\$4,512,684
Income Taxes	\$500,433	\$499,851
Revenue (Exhibits 3 & 6)		
Service Revenue Requirement	\$20,452,136	\$20,198,813
Base Revenue Requirement	\$20,082,054	\$19,828,731
Revenue Offsets	\$370,082	\$370,082
Revenue Deficiency	\$2,743,432	\$2,490,109
Cost of Capital (Exhibit 5)		
Short Term Interest Rate	2.07%	2.07%
Long Term Interest Rate	5.87%	5.87%
Return on Equity	9.85%	9.85%
Capital Structure	60% Debt / 40% Equity	60% Debt / 40% Equity
Return on Rate Base	7.31%	7.31%
Rural or Remote Rate Protection	\$11,596,870	\$11,533,034

Cost Allocation in this Settlement Agreement is a 2010 Cost Allocation. The current distribution revenue from rates is premised on the 2010 Customer and Load Forecast as presented in the Application and the current approved Tariff of Rates and Charges as approved in EB-2007-0744.

The RRRP has been determined using the 2011 Test Year parameters arising from this Settlement Agreement and will be implemented for 2011. The net impact of the

settlement is that the 2010 RRRP funding will be the sum of $11/12^{\text{th}}$ of the current RRRP funding and $1/12^{\text{th}}$ of the 2011 funding.

The revenue requirement and rate adjustments arising from this Settlement Agreement will allow Algoma to make the necessary investments to serve customers, maintain the integrity of the distribution system, to maintain and improve the quality of its service and to meet all compliance requirements during 2010 and 2011. While Algoma has filed budgets for the Test Years that are illustrative of how it would achieve these goals (for example in Appendix F attached), as is always the case with forward test year cost of service cases, the actual decisions as to how to allocate resources, and in what areas to spend the agreed upon capital and OM&A, are ones that must be made by the utility during the course of the year, subject to the Board's normal review in subsequent proceedings.

Settlement Terms by Issue

1. Administration (Exhibit 1)

1a. Are the proposed effective dates of July 1, 2010 and January 1, 2011 appropriate?

Complete Settlement: For the purpose of obtaining a complete settlement with the exception of the three outstanding issues, the Parties accept a December 1, 2010 effective date using rates for the distribution of electricity determined on the basis of the 2011 revenue requirement.

Evidence: Exhibit 1, Tab 1, Schedule 2.

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

1b. Is Algoma's proposal to align its 2011 rate year with its January 1, 2011 fiscal year appropriate?

Complete Settlement: For the purpose of obtaining a complete settlement with the exception of the three outstanding issues, the Parties accept Algoma's proposal to align its 2011 rate year with its January 1, 2011 fiscal year.

Evidence: SEC Interrogatory No. 2c

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

2. Rate Base (Exhibit 2)

2 a. Are the amounts proposed for the 2010 and 2011 Rate Base appropriate?

Complete Settlement: For the purpose of obtaining a complete settlement with the exception of the three outstanding issues, and for the purpose of calculating 2011 revenue requirement only, the Parties agree with the proposed 2010 rate base of \$69,471,646 and the 2011 rate base of \$76,827,242.

Evidence: Exhibit 2, Tab 1, Schedule 1, Exhibit 2, Tab 3, Schedule 1, Exhibit 2, Tab 4, Schedule 1, Exhibit 2, Tab 4, Schedule 2.

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

2b. Are the amounts proposed for the 2010 and 2011 capital expenditures appropriate?

Complete Settlement: For the purpose of obtaining a complete settlement with the exception of the three outstanding issues, and for the purpose of calculating 2011 revenue requirement only, the Parties agree that the proposed 2010 capital expenditures of \$11,371,113 and 2011 capital expenditures of \$10,869,825 are appropriate.

Evidence: Exhibit 2, Tab 1, Schedule 1, Exhibit 2, Tab 3, Schedule 1, Exhibit 2, Tab 4, Schedule 1, Exhibit 2, Tab 4, Schedule 2.

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

2c. Is API's proposal to capitalize its overhead costs appropriate?

Complete Settlement: For the purpose of obtaining a complete settlement with the exception of the three outstanding issues, the Parties agree with API's proposal to capitalize its overhead costs. API agrees to withdraw its request for an exemption from compliance with IFRS overhead capitalization rules, without prejudice to API's right to seek such an exemption in the future by way of application to the Board, and without prejudice to the right of any party to take such position as they believe is appropriate in such proceeding.

Evidence: Exhibit 2, Tab 4, Schedule 4.

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

3. Operating Revenue (Exhibit 4)

3a. Is the Customer and Load Forecast appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issue with the exception of the three outstanding issues, the Parties agree with API's proposed customer and load forecast.

Evidence: Exhibit 3, Tab 2, Schedule 1.

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

4. Operating Costs (Exhibit 4)

4a. Are the proposed Operations, Maintenance and Administration ("OM&A") expenses appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues with the exception of the three outstanding issues, the Parties accept that the Administrative and General portion of the 2011 Test Year OM&A will be reduced from \$9,670,207 to \$9,420,207, being a \$250,000 reduction. The parties have accepted that the Test Year OM&A has been adjusted to account for an estimated \$35,000 in HST related savings.

Evidence: Exhibit 4, Tab 2, Schedule 1, Exhibit 4, Tab 2, Schedule 2, Exhibit 4, Tab 2, Schedule 3, Exhibit 4, Tab 2, Schedule 5.

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

5. Cost of Capital and Rate of Return

5 a. Is the Capital Structure appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues with the exception of the three outstanding issues, the Parties accept the proposed capital structure of 40% equity, 56% long term debt and 4% short term debt.

Evidence: Exhibit 5, Tab 1, Schedule 1, Exhibit 5, Tab 1, Schedule 2

Supporting parties: API, EP, SEC and VECC

Parties taking no position: None

Opposing parties: None

5 b. Is the proposed Cost of Capital appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues with the exception of the three outstanding issues, the Parties accept the proposed cost of capital being 5.87% for long-term debt, 2.07% for short-term debt and 9.85% for return on equity.

Evidence: Exhibit 5, Tab 1, Schedule 1

Supporting parties: API, EP, SEC and VECC

Parties taking no position: None

Opposing parties: None

7. Cost Allocation (Exhibit 7)

7a. Is the Cost Allocation proposed by API appropriate?

Complete Settlement: For the purposes of obtaining complete settlement of all issues with the exception of the three outstanding issues, the Parties agree that the 2010 Cost Allocation Model will be revised such that the 2010 distributions of base revenue will reflect the 2010 Customer and Load Forecast and the 2007 Board Approved distribution rates, EB-2007-0744. Output Sheet O1 of that Cost Allocation Model is provided in Appendix "C" and the live version of the Cost Allocation Model accompanies this Settlement Agreement.

Evidence: Exhibit 3, Tab 2, Schedule 1, Response to Board Staff Interrogatory No. 4.

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

8. Rate Design (Exhibit 8)

8 a. Should the fixed monthly charge for the Residential – R2 class of customers be moved to the minimum system with PLCC Adjustment?

Complete Settlement: For the purposes of obtaining complete settlement of all issues with the exception of the three outstanding issues, the Parties accept to hold the Residential – R2 class at the current Board Approved amount for 2010 and 2011.

Evidence: Exhibit 8, Tab 1, Schedule 2

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

8 b. Is the proposal to reclassify the Street Lighting Customer Class as Residential thereby making that class eligible for RRRP funding appropriate?

Complete Settlement: For the purposes of obtaining complete settlement of all issues with the exception of the three outstanding issues, the Parties accept the reclassification of Street Lighting Class to Residential. The impact of this change is to reduce the amount of revenue from this class by \$92,428, and increase the amount of RRRP by a similar amount. In subsequent years, any increase in rates for this class will be subject to the limits of the RRRP calculation, i.e. in line with the average rate increases for Ontario distributors, and any remaining increase in revenue requirement applicable to this class will be added to RRRP.

Evidence: Exhibit 8, Tab 7, Schedule 1

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

8 c. What is the appropriate Revenue to Cost Allocation for the Seasonal Customer Class?

Complete Settlement: For the purposes of obtaining complete settlement of all issues with the exception of the three outstanding issues, the Parties accept that seasonal customers should be moved down to the top of the range for the Board's Guideline for Residential Customer; 115.0%. The impact of this change is to reduce the amount of revenue from this class by \$126,869, and increase the amount of RRRP by a similar amount.

Evidence: Exhibit 8, Tab 1, Schedule 3

Supporting parties: API, SEC, EP, and VECC

Parties taking no position: None.

Opposing parties: None

8 d. What is the appropriate methodology for determining the RRRP Average Rate Adjustment for Other Distributors used to set rates for customers classified as Residential?

No Settlement: The Parties disagree on how the average rate for Ontario distributors should be calculated.

Evidence: Exhibit 8, Tab 1, Schedule 1

8 e. Is the proposed Seasonal Class rate mitigation plan appropriate?

Complete Settlement: For the purposes of obtaining complete settlement of all issues with the exception of the three outstanding issues, the Parties accept that the seasonal class rate mitigation is appropriate.

Evidence: Exhibit 8, Tab 1, Schedule 3

Supporting parties: API, SEC, EP, and VECC

Parties taking no position: None.

9. Deferral and Variance Accounts (Exhibit 9)

9 a. Is the proposed disposition of the RSVA – Wholesale Market Service Charge (Account 1580), the RSVA – Retail Transmission Network Charge (Account 1584), the RSVA – Retail Transmission Connection Charge (Account 1586), the RSVA – Power excluding Global Adjustment (Account 1588) and Other Regulatory Assets (Account 1508) appropriate?

Complete Settlement: For the purposes of obtaining complete settlement of all issues with the exception of the three outstanding issues, the Parties accept the proposed disposition of the RSVA – Wholesale Market Service Charge (Account 1580), the RSVA – Retail Transmission Network Charge (Account 1584), the RSVA – Retail Transmission Connection Charge (Account 1586), the RSVA – Power excluding Global Adjustment (Account 1588) and Other Regulatory Assets (Account 1508).

Evidence: Exhibit 1, Tab 1, Schedule 1

Supporting parties: API, SEC, EP, and VECC

Parties taking no position: None.

9 b. The expiry of the Section 71 exemption saw assets of Great Lakes Power Limited transferred to Great Lakes Power Distribution in July 2009. As part of acquiring the distribution assets from Great Lakes Power Limited, Great Lakes Power Distribution (API's predecessor) incurred costs in the amount of \$410,695, which was recorded as an extraordinary event cost. The projected balance as of June 30, 2010 in Account 1525 is \$412,759 which includes \$2,064 of carrying charges. Is the recovery of these Extraordinary Event cost appropriate?

No Settlement: The Parties disagree on whether the amounts charged to Account 1572 are the result of an extraordinary event that is eligible for recovery from ratepayers and, if so, whether the amounts determined by API are correctly calculated and prudently incurred.

Evidence: Exhibit 9, Tab 2, Schedule 2

9 c. Is the establishment of an IFRS deferral account appropriate?

No Settlement: The Parties disagree on whether the IFRS deferral account, as proposed by API, is consistent with Board policy and appropriate in the circumstances of API.

Evidence: Exhibit 9, Tab 1, Schedule 5

9 d. Is the establishment of a Pension deferral account appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues with the exception of the three outstanding issues, the Parties accept that API should not be granted a pension deferral account.

Evidence: Exhibit 9, Tab 1, Schedule 5

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

9 e. Is it appropriate to require Algoma to clear its Global Adjustment sub-account account through a specific rate rider?

Complete Settlement: For the purpose of obtaining complete settlement of all issues with the exception of the three outstanding issues, the Parties agree that API should delay clearing the Global Adjustment account until the new CIS system is in place, and therefore API will have the technical ability to clear the account to RPP and non-RPP customers separately. When API has that ability, it will make a separate application for clearance of the account.

Evidence: N/A

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

10 a. Is the proposed Smart Meter Rate Adder of \$1.00 appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues with the exception of the three outstanding issues, the Parties agree that the Smart Meter Rate Adder is \$1.00 per metered customer per month.

Evidence: Exhibit 10, Tab 1, Schedule 1

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

Application of a future Incentive Rate Mechanism

Complete Settlement: For the purpose of obtaining complete settlement of all issues, Algoma agrees to consult with intervenors prior to proposing any future Incentive Rate Mechanism to set rates in non-rebasing periods.

Evidence: None

Supporting parties: API, SEC, EP and VECC

Parties taking no position: None.

Opposing parties: None

Appendix “A”

ISSUES LIST

API has identified the following as issues related to this Application:

1. Rate Base for the Test Years
 - a. Capital Expenditures 2008
 - b. Capital Expenditures 2009
 - c. Capital Expenditures 2010
 - d. Capital Expenditures 2011
 - e. Capital Planning and Budgeting Process
 - f. Capitalization Policy
 - g. Amortization
 - h. Working Capital Allowance

2. Operating Revenue for the Test Years
 - a. Distribution Revenue
 - b. Rural and Remote Rate Protection
 - c. Load Forecast Methodology
 - d. Other Revenue
 - e. Specific Service Charges

3. Operating Costs for the Test Years
 - a. Operations, Maintenance & Administration
 - b. Shared Services and Corporate Allocations
 - c. Depreciation and Amortization
 - d. Income Tax and Ontario Capital Tax

4. Cost of Capital and Rate of Return for the Test Years
 - a. Capital Structure
 - b. Cost of Debt
 - c. Cost of Equity

5. Revenue Requirement for the Test Years

6. Cost Allocation

- a. Cost Allocation Methodology
- b. Cost Allocation Study
- c. Revenue-to-cost ratios
- d. Rate classification alignment

7. Rate Design

- a. Class rate design
- b. RRRP design
- c. Retail Service Transmission Rates
- d. Loss Adjustment Factors
- e. Street Lighting rate mitigation
- f. Seasonal customer deferral account disposition
- g. Rate impacts in the Test Years

8. Deferral and Variance Accounts

- a. Recoverable Accounts
- b. Account Balances
- c. Calculation and application of Rate Riders

9. Smart Meter Initiative

- a. Smart Meter Rate Adder

Appendix “B”

Algoma Power Inc.
Proposed
TARIFF OF RATES AND CHARGES
Effective December 1, 2010
Implementation Date December 1, 2010
Rates and Charges become Interim December 31, 2011
This schedule supersedes and replaces all previously approved schedules of
Rates, Charges and Loss Factors

EB-2009-0278

APPLICATION

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.
- No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

IMPLEMENTATION DATES

DISTRIBUTION RATES – December 1, 2010 for all consumption or deemed consumption service used on or after that date.
SPECIFIC SERVICE CHARGES – December 1, 2010 for all charges incurred by customers on or after that date.
RETAIL SERVICE CHARGES – December 1, 2010 for all charges incurred by retailers or customers on or after that date.
LOSS FACTOR ADJUSTMENT – December 1, 2010 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

SERVICE CLASSIFICATIONS

Residential Customers

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*.

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.

Seasonal Customers

This classification includes all services supplied to single-family dwelling units for domestic purposes, which are occupied on a seasonal/intermittent basis. A service is defined as Seasonal if occupancy is for a period of less than eight months of the year.

Residential – Street Lighting

This classification refers to an account for roadway lighting. The consumption for these unmetered accounts will be based on the calculated connection load times the calculated hours of use established in the approved OEB street lighting load shape template.

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MONTHLY RATES AND CHARGES**Residential – R1**

Service Charge	\$	20.82
Smart Meter Rate Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0293
Deferral Account Rate Rider – effective until December 31, 2010	\$/kWh	(0.0041)
Deferral Account Rate Rider – effective until May 31, 2013	\$/kWh	0.0057
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Residential – R2

Service Charge	\$	596.12
Smart Meter Rate Adder	\$	1.00
Distribution Volumetric Rate	\$/kW	2.5492
Deferral Account Rate Rider – effective until December 31, 2010	\$/kW	(0.2025)
Deferral Account Rate Rider – effective until May 31, 2013	\$/kW	0.0044
Retail Transmission Rate – Network Service Rate	\$/kW	2.1218
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6634
Retail Transmission Rate – Network Service Rate – Interval Metered >1,000 kW	\$/kW	2.2508
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered >1,000 kW	\$/kW	1.8384
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Seasonal

Service Charge	\$	26.07
Smart Meter Rate Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.1001
Deferral Account Rate Rider – effective until December 31, 2010	\$/kWh	(0.0041)
Deferral Account Rate Rider – effective until May 31, 2013	\$/kWh	0.0083
Deferral Account Rate Rider – effective until December 31, 2015	\$/kWh	0.0307
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lighting

Service Charge	\$	0.98
Distribution Volumetric Rate	\$/kWh	0.0367
Deferral Account Rate Rider – effective until December 31, 2010	\$/kWh	(0.0016)
Deferral Account Rate Rider – effective until May 31, 2013	\$/kWh	0.0219
Retail Transmission Rate – Network Service Rate	\$/kW	1.6002
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2859
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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Specific Service Charges

Customer Administration		
Arrears certificate (credit reference)	\$	15.00
Statement of Account	\$	15.00
Pulling Post Dated Cheques	\$	15.00
Duplicate Invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Income Tax Letter	\$	15.00
Notification charge	\$	15.00
Account History	\$	15.00
Credit Reference/credit check (plus credit agency costs)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheques	\$	15.00
Legal letter charge	\$	15.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection - during regular business hours	\$	30.00
Collection of account charge - no disconnection - after regular hours	\$	165.00
Disconnect/Reconnect Charges - at meter during regular hours	\$	65.00
Disconnect/Reconnect Charges - at meter after regular hours	\$	185.00
Disconnect/Reconnect Charges at Pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device - after regular hours	\$	185.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
Service Call - customer owned equipment	\$	30.00
Service Call - after regular hours	\$	165.00
Temporary service install & remove - overhead - no transformer	\$	500.00
Temporary service install & remove - underground - no transformer	\$	300.00
Temporary service install & remove - overhead - with transformer	\$	1000.00
Allowances		
Transformer Allowance for Ownership – per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the		

Algoma Power Inc.
Proposed
TARIFF OF RATES AND CHARGES
Effective December 1, 2010
Implementation Date December 1, 2010
Rates and Charges become Interim December 31, 2011
This schedule supersedes and replaces all previously approved schedules of
Rates, Charges and Loss Factors

EB-2009-0278

Electronic Business Transaction (EBT) system, applied to the requesting party
 Up to twice a year
 More than twice a year, per request (plus incremental delivery costs)

no charge
 \$ 2.00

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer
 Total Loss Factor – Primary Metered Customer

1.0864
 1.0755

Appendix "C"

2006 Cost Allocation Information Filing

Algoma Power Inc.

EB-2010-0278

Tuesday, June 01, 2010

Sheet O1 Revenue to Cost Summary Worksheet - First Run

		1	2	7	12	
		R1	R2	Street Light	Seasonal	
Rate Base	Total					
Assets						
crev	Distribution Revenue (sale)	\$18,585,008	\$13,865,405	\$1,717,567	\$42,237	\$2,959,799
mi	Miscellaneous Revenue (mi)	\$343,057	\$217,490	\$88,133	\$5,003	\$32,431
	Total Revenue	\$18,928,065	\$14,082,895	\$1,805,700	\$47,240	\$2,992,230
	Expenses					
di	Distribution Costs (di)	\$4,712,464	\$2,835,059	\$1,290,517	\$87,388	\$499,501
cu	Customer Related Costs (cu)	\$1,693,808	\$1,394,715	\$91,659	\$11,235	\$196,199
ad	General and Administration (ad)	\$2,632,964	\$1,725,449	\$583,912	\$40,420	\$283,183
dep	Depreciation and Amortization (dep)	\$4,056,672	\$2,563,128	\$975,345	\$70,644	\$447,555
INPUT	PILs (INPUT)	\$751,038	\$456,888	\$209,628	\$11,219	\$73,304
INT	Interest	\$2,342,458	\$1,425,014	\$653,821	\$34,991	\$228,631
	Total Expenses	\$16,189,405	\$10,400,253	\$3,804,882	\$255,898	\$1,728,372
	Direct Allocation	\$0	\$0	\$0	\$0	\$0
NI	Allocated Net Income (NI)	\$2,738,660	\$1,666,040	\$764,408	\$40,910	\$267,302
	Revenue Requirement (includes NI)	\$18,928,065	\$12,066,293	\$4,569,290	\$296,807	\$1,995,675
		Revenue Requirement Input Does Not Equal Output				
	Rate Base Calculation					
	Net Assets					
dp	Distribution Plant - Gross	\$101,557,858	\$61,697,989	\$27,444,170	\$1,706,422	\$10,709,276
gp	General Plant - Gross	\$10,530,382	\$6,406,067	\$2,939,214	\$157,302	\$1,027,799
accum dep	Accumulated Depreciation	(\$46,509,937)	(\$28,210,059)	(\$12,079,334)	(\$884,122)	(\$5,336,422)
co	Capital Contribution	\$0	\$0	\$0	\$0	\$0
	Total Net Plant	\$65,578,302	\$39,893,997	\$18,304,050	\$979,602	\$6,400,653
	Directly Allocated Net Fixed Assets	\$0	\$0	\$0	\$0	\$0
COP	Cost of Power (COP)	\$17,166,389	\$9,553,250	\$6,404,606	\$72,227	\$1,136,306
	OM&A Expenses	\$9,039,237	\$5,955,223	\$1,966,088	\$139,043	\$978,883
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0
	Subtotal	\$26,205,626	\$15,508,473	\$8,370,694	\$211,270	\$2,115,188
	Working Capital	\$3,930,844	\$2,326,271	\$1,255,604	\$31,691	\$317,278
	Total Rate Base	\$69,509,146	\$42,220,268	\$19,559,654	\$1,011,293	\$6,717,932
		Rate Base Input equals Output				
	Equity Component of Rate Base	\$0	\$0	\$0	\$0	\$0
	Net Income on Allocated Assets	\$2,738,660	\$3,682,642	(\$1,999,182)	(\$208,657)	\$1,263,858
	Net Income on Direct Allocation Assets	\$0	\$0	\$0	\$0	\$0
	Net Income	\$2,738,660	\$3,682,642	(\$1,999,182)	(\$208,657)	\$1,263,858
	RATIOS ANALYSIS					
	REVENUE TO EXPENSES %	100.00%	116.71%	39.52%	15.92%	149.94%
	EXISTING REVENUE MINUS ALLOCATED COSTS	\$0	\$2,016,602	(\$2,763,590)	(\$249,567)	\$996,556
	RETURN ON EQUITY COMPONENT OF RATE BASE	0.00%	0.00%	0.00%	0.00%	0.00%

Appendix “D”



**Algoma Power Inc.
Distribution Rate Design Module
2010 Electricity Distribution Rate Application
EB-2009-0278
June 1, 2010
Settlement Version Filed September 8, 2010**

2007 Board Approved Tariff, EB-2007-0744			Proposed		
Delivery Charges			Delivery Charges		
	Metric	Effective September 2007		Proposed July 1, 2010	Proposed December 1, 2010
Monthly Rates and Charges					
Residential - R1					
Monthly Service Charge	\$	20.41		N/A	20.82
Distribution Volumetric Rate	\$/kWh	0.0287		N/A	0.0293
Residential - R2					
Monthly Service Charge	\$	596.12		N/A	596.12
Distribution Volumetric Rate	\$/kW	2.4549		N/A	2.5492
Seasonal					
Monthly Service Charge	\$	24.00		N/A	26.07
Distribution Volumetric Rate	\$/kWh	0.0700		N/A	0.1001
Street Lighting					
Monthly Service Charge ¹	\$	-		N/A	0.98
Distribution Volumetric Rate	\$/kWh	0.0496		N/A	0.0367
Rural and Remote Rate Protection					
	\$	8,861,800		N/A	11,533,034

Note 1: Sheet O2 of the Cost Allocation Model determines the minimum fixed charge as \$ 0.96
The resulting variable charge with this minimum charge is \$ 0.0360

Algoma Load and Customer Forecast Information										
	2003	2004	2005	2006	2007 Application	2007	2008	2009	2010 Test Year	2011 Test Year
R1										
Number of Customers	7,837	7,763	7,758	7,740	7,740	7,815	7,923	7,997	8,024	8,049
Change in Customer Count		(74)	(5)	(18)		75	109	74	27	25
Kilowatt-hours	108,693,027	105,879,912	103,661,767	99,478,516	104,428,306	100,674,579	103,691,076	103,761,012	104,754,767	106,119,297
Weather Normalized Kilowatt-hours								103,317,932		
Average per Customer - kWh	13,869	13,639	13,362	12,853	13,492	12,883	13,087	12,975		
Normalized Average per Customer - kWh								12,920	13,055	13,184
Seasonal										
Number of Customers	3,577	3,646	3,652	3,707	3,707	3,718	3,688	3,643	3,654	3,665
Change in Customer Count		69	6	55		11	(30)	(45)	11	11
Kilowatt-hours	11,867,258	11,692,754	11,678,117	11,746,043	11,746,043	11,665,351	11,591,418	12,341,792		
Weather Normalized Kilowatt-hours								12,289,090	12,459,994	12,622,297
Average per Customer - kWh	3,318	3,207	3,198	3,169	3,169	3,138	3,143	3,388		
Normalized Average per Customer - kWh								3,373	3,410	3,444
Residential - R2										
Number of Customers	49	49	47	45	47	47	48	48	48	48
Kilowatt-hours		30,337,868	66,360,103	68,290,099	50,139,889	75,340,938	66,017,652	69,931,763		
Kilowatts		163,453	182,693	180,802	197,392	191,492	159,280	150,499		
Weather Normalized Kilowatt-hours								69,808,980	70,228,773	70,606,900
Weather Normalized Kilowatts								150,235	151,138	151,952
Average per Customer - kWh		619,140	1,411,917	1,517,558	1,066,806	1,602,999	1,375,368	1,456,912		
Average per Customer - kW		3,336	3,887	4,018	4,200	4,074	3,318	3,135		
Normalized Average per Customer - kWh								1,454,354	1,463,099	1,470,977
Normalized Average per Customer - kW								3,130	3,149	3,166
Street Light										
Number of Customers	104	103	100	99	99	32	32	32	32	32
Kilowatt-hours	935,668	1,002,422	1,046,222	1,056,913	1,010,306	816,298	791,996	791,996	791,996	791,996
Kilowatts							2,304	2,304	2,304	2,304
Totals										
Number of Customers	11,567	11,561	11,557	11,591	11,593	11,611	11,691	11,720	11,758	11,794
Kilowatt-hours		148,912,956	182,746,209	180,571,571	167,324,544	188,497,166	182,092,142	186,826,563		
Kilowatts		163,453	182,693	180,802	197,392	191,492	161,584	152,803		
Weather Normal Kilowatt-hours								186,207,998	188,235,530	190,140,490
Weather Normal Kilowatts								152,539	153,442	154,256

**Table C10 - Revenue Recovery Summary
EB-2007-0744 Draft Rate Order**

	2007 Revenue Requirement	Total Revenue from Rates	RRRP	Approved Deferrals	Total Revenue	Annual Revenue Shortfall
Residential - R1	12,420,000	4,821,500	7,926,800		12,748,300	
Residential - R2	2,098,200	834,900	935,000		1,769,900	
Seasonal	2,710,100	1,880,500		829,600	2,710,100	
Street Lighting	53,800	44,200			44,200	9,500
Totals	17,282,100	7,581,100	8,861,800	829,600	17,272,500	9,500

**Simulated Distribution Rates to Recover Total Revenue Requirement
Data From EB-2007-0744 Draft Rate Order**

	Metric	Billing Determinant	No. of Customers	Revenue	Monthly Service Charge	Volumetric Distribution Charge	Fixed Revenue Amount	Variable Revenue Amount
Residential - R1	kWh	101,468,266	7,775	12,748,300	20.41	0.1069	1,904,253	10,844,047
Residential - R2	kW	191,492	51	1,769,900	596.12	7.3375	364,825	1,405,075
Seasonal	kWh	11,657,297	3,696	2,710,100	24.00	0.1412	1,064,448	1,645,652
Street Lighting	kWh	891,877	1,052	53,700	-	0.0602	-	53,700
Totals			12,574	17,282,000			3,333,526	13,948,474

Street Lighting based on number of connections

2010 Algoma Customer Count By Rate Class

Rate Class	Actual			Forecast												Change
	Dec-07	Dec-08	Dec-09	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
Residential - R1	7,815	7,923	7,997	7,999	8,001	8,003	8,005	8,008	8,011	8,014	8,016	8,018	8,020	8,022	8,024	27
Residential - R2	47	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48
Seasonal	3,718	3,688	3,643	3,643	3,643	3,643	3,645	3,647	3,649	3,651	3,653	3,654	3,654	3,654	3,654	11
Street Lights	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	-
Total	11,611	11,691	11,720	11,722	11,724	11,726	11,730	11,735	11,740	11,745	11,749	11,752	11,754	11,756	11,758	38

2011 Algoma Customer Count By Rate Class

Rate Class	Actual			Forecast												Change
	Dec-08	Dec-09	Dec-10	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
Residential - R1	7,923	7,997	8,024	8,026	8,028	8,030	8,032	8,035	8,038	8,041	8,043	8,045	8,047	8,049	8,049	25
Residential - R2	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48
Seasonal	3,688	3,643	3,654	3,654	3,654	3,654	3,655	3,657	3,659	3,661	3,663	3,665	3,665	3,665	3,665	11
Street Lights	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	-
Total	11,691	11,720	11,758	11,760	11,762	11,764	11,767	11,772	11,777	11,782	11,786	11,790	11,792	11,794	11,794	36

2011 Weather Normalized Forecasted Revenue Recovery Summary								
Customer Class	Billing Metric	No. of Cust.	Charge Determinant	Rates		Revenue		
				Fixed	Volumetric	Fixed	Volumetric	Total
<i>Residential</i>								
R1 Energy Rate	kWh	8,039	106,119,297	20.41	0.1069	1,968,810	11,341,109	13,309,919
R2 Demand Rate	kW	48	151,952	596.12	7.3375	343,365	1,114,949	1,458,315
<i>Total Residential</i>						2,312,175	12,456,058	14,768,233
Seasonal	kWh	3,660	12,622,297	24.00	0.1412	1,054,008	1,781,880	2,835,888
Street Lights (conn.)	kWh	1,052	791,996	-	0.0602	-	47,686	47,686
						3,366,183	14,285,625	17,651,808

2006 Cost Allocation Information Filing

Algoma Power Inc.

EB-2010-0278

Tuesday, June 01, 2010

Sheet 01 Revenue to Cost Summary Worksheet - First Run

		1	2	7	12	
		R1	R2	Street Light	Seasonal	
Rate Base Assets	Total					
crev	Distribution Revenue (sale)	\$18,585,008	\$13,865,405	\$1,717,567	\$42,237	\$2,959,799
mi	Miscellaneous Revenue (mi)	\$343,057	\$217,490	\$88,133	\$5,003	\$32,431
	Total Revenue	\$18,928,065	\$14,082,895	\$1,805,700	\$47,240	\$2,992,230
	Expenses					
di	Distribution Costs (di)	\$4,712,464	\$2,835,059	\$1,290,517	\$87,388	\$499,501
cu	Customer Related Costs (cu)	\$1,693,808	\$1,394,715	\$91,659	\$11,235	\$196,199
ad	General and Administration (ad)	\$2,632,964	\$1,725,449	\$583,912	\$40,420	\$283,183
dep	Depreciation and Amortization (dep)	\$4,056,672	\$2,563,128	\$975,345	\$70,644	\$447,555
INPUT	PILs (INPUT)	\$751,038	\$456,888	\$209,628	\$11,219	\$73,304
INT	Interest	\$2,342,458	\$1,425,014	\$653,821	\$34,991	\$228,631
	Total Expenses	\$16,189,405	\$10,400,253	\$3,804,882	\$255,898	\$1,728,372
	Direct Allocation	\$0	\$0	\$0	\$0	\$0
NI	Allocated Net Income (NI)	\$2,738,660	\$1,666,040	\$764,408	\$40,910	\$267,302
	Revenue Requirement (includes NI)	\$18,928,065	\$12,066,293	\$4,569,290	\$296,807	\$1,995,675
Revenue Requirement Input Does Not Equal Output						
	Rate Base Calculation					
	Net Assets					
dp	Distribution Plant - Gross	\$101,557,858	\$61,697,989	\$27,444,170	\$1,706,422	\$10,709,276
gp	General Plant - Gross	\$10,530,382	\$6,406,067	\$2,939,214	\$157,302	\$1,027,799
accum dep	Accumulated Depreciation	(\$46,509,937)	(\$28,210,059)	(\$12,079,334)	(\$884,122)	(\$5,336,422)
co	Capital Contribution	\$0	\$0	\$0	\$0	\$0
	Total Net Plant	\$65,578,302	\$39,893,997	\$18,304,050	\$979,602	\$6,400,653
	Directly Allocated Net Fixed Assets	\$0	\$0	\$0	\$0	\$0
COP	Cost of Power (COP)	\$17,166,389	\$9,553,250	\$6,404,606	\$72,227	\$1,136,306
	OM&A Expenses	\$9,039,237	\$5,955,223	\$1,966,088	\$139,043	\$978,883
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0
	Subtotal	\$26,205,626	\$15,508,473	\$8,370,694	\$211,270	\$2,115,188
	Working Capital	\$3,930,844	\$2,326,271	\$1,255,604	\$31,691	\$317,278
	Total Rate Base	\$69,509,146	\$42,220,268	\$19,559,654	\$1,011,293	\$6,717,932
Rate Base Input equals Output						
	Equity Component of Rate Base	\$0	\$0	\$0	\$0	\$0
	Net Income on Allocated Assets	\$2,738,660	\$3,682,642	(\$1,999,182)	(\$208,657)	\$1,263,858
	Net Income on Direct Allocation Assets	\$0	\$0	\$0	\$0	\$0
	Net Income	\$2,738,660	\$3,682,642	(\$1,999,182)	(\$208,657)	\$1,263,858
	RATIOS ANALYSIS					
	REVENUE TO EXPENSES %	100.00%	116.71%	39.52%	15.92%	149.94%
	EXISTING REVENUE MINUS ALLOCATED COSTS	\$0	\$2,016,602	(\$2,763,590)	(\$249,567)	\$996,556
	RETURN ON EQUITY COMPONENT OF RATE BASE	0.00%	0.00%	0.00%	0.00%	0.00%

2011 Cost Allocation Results									
	Cost Allocation Revenue Requirement	Revenue Requirement Allocation Percentage	Cost Allocation Misc.	Cost Allocation Misc. Percentage	2011 Service Revenue Requirement	2011 Misc. Revenue	2011 Base Revenue Requirement		
Residential - R1	12,066,293	63.7%	217,490	63.4%	12,876,372	234,623	12,641,749		
Residential - R2	4,569,290	24.1%	88,133	25.7%	4,876,052	95,075	4,780,977		
Seasonal	1,995,675	10.5%	32,431	9.5%	2,129,655	34,986	2,094,669		
Street Lighting	296,807	1.6%	5,003	1.5%	316,734	5,397	311,336		
	18,928,065	100.0%	343,057	100.0%	20,198,813	370,082	19,828,731		
2011 Base Distribution Rate Cost Allocation Design									
	2011 Forecasted Revenue @ 100% R C	Revenue Proportions @ 100% R C	Proposed Proportion of Revenue	Base Revenue @ Proposed Proportion	Over/(Under) Contributing	Proposed Revenue to Cost Ratio	2010 Cost Allocation R C	Board's Guideline	Target R C Ratio
Residential - R1	12,641,749	63.8%	72.8%	14,426,980	1,785,231	114.1%	116.71%	85-115%	Beneficiary
Residential - R2	4,780,977	24.1%	14.4%	2,859,067	(1,921,909)	59.8%	39.52%	80-180%	59.8%
Seasonal	2,094,669	10.6%	12.1%	2,408,811	314,142	115.0%	149.94%	85-115%	115.0%
Street Lighting	311,336	1.6%	0.7%	133,872	(177,464)	43.0%	15.92%	70-120%	43.0%
	19,828,731	100.0%	100.0%	19,828,731					

Note 1: The target Revenue to Cost Ratio for the Seasonal Class is 115% as per the Settlement Agreement.

Note 2: The target Revenue to Cost Ratio for the Residential R-2 Class is 50% of the gap to the nearest boundary.

Note 3: The target Revenue to Cost Ratio for the Street Lighting Class is 50% of the gap to the nearest boundary.

2011 Distribution Base Rate Determination											
Customer Class	Metric	Average # of Customers	Billing Determinant		F/V Split		Distribution Rates		Revenues		
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue
Residential - R1	kWh	8039	106,119,297		13.6%	86.4%	20.41	0.1174	1,968,810	12,458,170	14,426,980
Residential - R2	kW	48		151,952	12.0%	88.0%	596.12	16.5559	343,365	2,515,702	2,859,067
Seasonal	kWh	3660	12,622,297		43.8%	56.2%	24.00	0.1073	1,054,008	1,354,803	2,408,811
Street Lighting	kWh	1052	791,996		0.0%	100.0%	-	0.1690	-	133,872	133,872
									3,366,183	16,462,548	19,828,731

2011 Distribution Base Rate Determination											
Customer Class	Metric	Average # of Customers	Billing Determinant		F/V Split		Distribution Rates		Revenues		
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue
Residential - R1	kWh	8039	106,119,297		13.6%	86.4%	20.41	0.1174	1,968,810	12,458,170	14,426,980
Residential - R2	kW	48		151,952	12.0%	88.0%	596.12	16.5559	343,365	2,515,702	2,859,067
Street Lighting	Kwh	1052	791,996		0.0%	100.0%	-	0.1690	-	133,872	133,872
									2,312,175	15,107,745	17,419,920
Application of Rate Indexing Methodology											
Delivery Charges Indexed by Simple Average of Other LDC Increases in Current Year											
Simple Average Increase in Delivery Charge for 2011 using the Board Approved Methodology, EB-2007-0744											2.00%
Customer Class	Metric	Average # of Customers	Billing Determinant		F/V Split		Distribution Rates		Revenues		
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue
Residential - R1	kWh	8039	106,119,297		39.3%	60.7%	20.82	0.0293	2,008,186	3,106,536	5,114,722
Residential - R2	kW	48		151,952	47.9%	52.1%	608.04	2.5040	350,232	380,488	730,720
Hold Residential - R2 Fixed Charge at \$596.12					47.0%	53.0%	596.12	2.5492	343,365	387,355	730,720
Street Lighting	Kwh	1052	791,996		29.8%	70.2%	0.98	0.0367	12,361	29,082	41,444
									2,363,913	3,522,973	5,886,886
The Rural and Remote Rate Protection Amount Required for 2011											\$ 11,533,034

2011 Distribution Base Rate Determination											
Customer Class	Metric	Average # of Customers	Billing Determinant		F/V Split		Distribution Rates		Revenues		
			kWh	kW	Fixed Allocation	Variable Allocation	Monthly Service Charge	Variable Charge	Fixed	Variable	Total Revenue
Seasonal	kWh	3660	12,622,297		47.5%	52.5%	26.07	0.1001	1,144,784	1,264,028	2,408,811
									1,144,784	1,264,028	2,408,811

Seasonal

2010 Average Monthly Consumption per customer 287 kWh
 Delivery Charges Based on Designed Rates \$ 54.81
 Delivery Charges Based on 2010 Rates \$ 44.09
 Percentage Change in the Delivery Component 24%

Including Deferred Revenue \$ 64.52
 Percentage Change in the Delivery Component -18%

Appendix “E”



**Algoma Power Inc.
2011 Distribution Rate Impact Module
2010 Electricity Distribution Rate Application
EB-2009-0278
June 1, 2010
Settlement Version Filed September 8, 2010**

Electricity Distribution Impacts Rates Effective December 1, 2010

	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Rates and Charges			
Residential - R1			
Monthly Service Charge	\$	20.41	20.82
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$		
Monthly Service Charge Rate Adder # 2	\$		
Distribution Volumetric Rate	\$/kWh	0.0287	0.0293
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013			0.0054
Distribution Volumetric Rate Rate Adder # 2			
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
Deferral Account Rate Rider # 2			
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0003725	0.0003725
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25
Residential - R2			
Monthly Service Charge	\$	596.12	596.12
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$		
Monthly Service Charge Rate Adder # 2	\$		
Distribution Volumetric Rate	\$/kW	2.4549	2.5492
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013			0.0044
Distribution Volumetric Rate Rate Adder # 2			
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kW	(0.2025)	(0.2025)
Deferral Account Rate Rider # 2			
Retail Transmission Rate - Network Service Rate	\$/kW	2.1218	2.1218
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7882	1.6634
Retail Transmission Rate - Network Service Rate - Interval Meter > 1,000 kW	\$/kW	2.2508	2.2508
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval > 1,000 kW	\$/kW	1.9763	1.8384
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0003725	0.0003725
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25
Seasonal			
Monthly Service Charge	\$	24.00	26.07
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$		
Monthly Service Charge Rate Adder # 2	\$		
Distribution Volumetric Rate	\$/kWh	0.0700	0.1001
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013			0.0083
Distribution Volumetric Rate Rate Adder # 2- effective until June 30, 2016			0.0307
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
Deferral Account Rate Rider # 2			
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0003725	0.0003725
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25
Street Lighting			
Monthly Service Charge	\$	-	0.98
Smart Meter Rate Adder	\$	-	-
Monthly Service Charge Rate Adder # 1	\$		
Monthly Service Charge Rate Adder # 2	\$		
Distribution Volumetric Rate	\$/kWh	0.0496	0.0367
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013			0.0219
Distribution Volumetric Rate Rate Adder # 2			
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kWh	(0.0016)	(0.0016)
Deferral Account Rate Rider # 2			
Retail Transmission Rate - Network Service Rate	\$/kW	1.6002	1.6002
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3824	1.2859
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0003725	0.0003725
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25
Other			
Debt Retirement Charge	\$/kWh	0.0020	0.0020
Energy - First Tier	\$/kWh	0.0650	0.0650
Energy - Second Tier	\$/kWh	0.0750	0.0750
Loss Factor			
Total Loss Factor		1.1025	1.0864
GST / HST		13%	13%

**Electricity Distribution Impacts
Rates Effective December 1, 2010**

Residential - R1	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Service Charge	\$	20.41	20.82
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$	-	-
Monthly Service Charge Rate Adder # 2	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0287	0.0293
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013		-	0.0054
Distribution Volumetric Rate Rate Adder # 2		-	-
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
Deferral Account Rate Rider # 2		-	-
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25

Consumption	800 kWh	kWh
RPP Tier One	750 kWh	Load Factor

Loss Factor	1.0864
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Residential - R1	Volume	Rate		Volume	Charge		Impacts		
		\$	\$		\$	%	% of Total Bill		
Energy, First Tier (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	35.70%
Energy, Second Tier (kWh)	132	0.0750	9.90	119	0.0750	8.93	-0.97	-9.76%	6.54%
Sub-Total: Energy			58.65			57.68	-0.97	-1.65%	42.24%
Monthly Service Charge	1	20.41	20.41	1	20.82	20.82	0.41	2.01%	15.25%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.73%
Monthly Service Charge Rate Adder # 1	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Monthly Service Charge Rate Adder # 2	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	800	0.0287	22.96	800	0.0293	23.44	0.48	2.09%	17.17%
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013	800	0.0000	0.00	800	0.0054	4.32	4.32	0.00%	3.16%
Distribution Volumetric Rate Rate Adder # 2	800	0.0000	0.00	800	0.0000	0.00	0.00	0.00%	0.00%
Deferral Account Rate Rider # 1- effective until December 31, 2010	800	-0.0041	-3.28	800	-0.0041	-3.28	0.00	0.00%	-2.40%
Deferral Account Rate Rider # 2	800	0.0000	0.00	800	0.0000	0.00	0.00	0.00%	0.00%
Total: Distribution			40.09			46.30	6.21	15.49%	33.91%
Retail Transmission Rate - Network Service Rate	882	0.0057	5.03	869	0.0057	4.95	-0.07	-1.46%	3.63%
Retail Transmission Rate - Line and Transformation Connection Service Rate	882	0.0050	4.41	869	0.0047	4.08	-0.33	-7.37%	2.99%
Total: Retail Transmission			9.44			9.04	-0.40	-4.22%	6.62%
Sub-Total: Delivery (Distribution and Retail Transmission)			49.53			55.34	5.81	11.73%	40.52%
Wholesale Market Service Rate	882	0.0052	4.59	869	0.0052	4.52	-0.07	-1.46%	3.31%
Rural Rate Protection Charge	882	0.0010	0.88	869	0.0013	1.13	0.25	28.10%	0.83%
Special Purpose Charge	882	0.0004	0.33	869	0.0004	0.32	0.00	-1.46%	0.24%
Standard Supply Service - Administrative Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.18%
Sub-Total: Regulatory			6.05			6.22	0.18	2.91%	4.56%
Debt Retirement Charge	800	0.0020	1.60	800	0.0020	1.60	0.00	0.00%	1.17%
Total Bill Before Taxes			115.82			120.85	5.02	4.34%	88.50%
GST / HST		13%	15.06		13%	15.71	0.65	4.34%	11.50%
Total Bill			\$ 130.88			\$ 136.56	\$ 5.67	4.34%	100.00%

**Electricity Distribution Impacts
Rates Effective December 1, 2010**

Residential - R2	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Service Charge	\$	596.12	596.12
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$	-	-
Monthly Service Charge Rate Adder # 2	\$	-	-
Distribution Volumetric Rate	\$/kW	2.4549	2.5492
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013		-	0.0044
Distribution Volumetric Rate Rate Adder # 2		-	-
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kW	(0.2025)	(0.2025)
Deferral Account Rate Rider # 2		-	-
Retail Transmission Rate - Network Service Rate	\$/kW	2.1218	2.1218
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7882	1.6634
Retail Transmission Rate - Network Service Rate - Interval Meter > 1,000 kW	\$/kW	2.2508	2.2508
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval > 1,000 kW	\$/kW	1.9763	1.8384
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25

Consumption	90,000 kWh	225 kW
RPP Tier One	750 kWh	Load Factor 54.8%

Loss Factor	1.0864
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Residential - R2	Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Impacts		
							\$	%	% of Total Bill
Energy, First Tier (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	0.42%
Energy, Second Tier (kWh)	98475	0.0750	7385.63	97026	0.0750	7276.95	-108.68	-1.47%	62.95%
Sub-Total: Energy			7434.38			7325.70	-108.68	-1.46%	63.38%
Monthly Service Charge	1	596.12	596.12	1	596.12	596.12	0.00	0.00%	5.16%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.01%
Monthly Service Charge Rate Adder # 1	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Monthly Service Charge Rate Adder # 2	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	225	2.4549	552.35	225	2.5492	573.57	21.22	3.84%	4.96%
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013	225	0.0000	0.00	225	0.0044	0.99	0.99	0.00%	0.01%
Distribution Volumetric Rate Rate Adder # 2	225	0.0000	0.00	225	0.0000	0.00	0.00	0.00%	0.00%
Deferral Account Rate Rider # 1- effective until December 31, 2010	225	-0.2025	-45.56	225	-0.2025	-45.56	0.00	0.00%	-0.39%
Deferral Account Rate Rider # 2	225	0.0000	0.00	225	0.0000	0.00	0.00	0.00%	0.00%
Total: Distribution			1102.91			1126.12	23.21	2.10%	9.74%
Retail Transmission Rate - Network Service Rate	248	2.1218	526.34	244	2.1218	518.65	-7.69	-1.46%	4.49%
Retail Transmission Rate - Line and Transformation Connection Service Rate	248	1.7882	443.59	244	1.6634	406.60	-36.98	-8.34%	3.52%
Total: Retail Transmission			969.92			925.25	-44.67	-4.61%	8.00%
Sub-Total: Delivery (Distribution and Retail Transmission)			2072.83			2051.37	-21.46	-1.04%	17.75%
Wholesale Market Service Rate	99225	0.0052	515.97	97776	0.0052	508.44	-7.53	-1.46%	4.40%
Rural Rate Protection Charge	99225	0.0010	99.23	97776	0.0013	127.11	27.88	28.10%	1.10%
Special Purpose Charge	99225	0.0004	36.96	97776	0.0004	36.42	-0.54	-1.46%	0.32%
Standard Supply Service - Administrative Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
Sub-Total: Regulatory			652.41			672.22	19.81	3.04%	5.82%
Debt Retirement Charge	90000	0.0020	180.00	90000	0.0020	180.00	0.00	0.00%	1.56%
Total Bill Before Taxes			10339.62			10229.29	-110.33	-1.07%	88.50%
GST / HST		13%	1344.15		13%	1329.81	-14.34	-1.07%	11.50%
Total Bill			\$ 11,683.77			\$ 11,559.09	\$ (124.67)	-1.07%	100.00%

**Electricity Distribution Impacts
Rates Effective December 1, 2010**

Residential Customers with an Interval Meter

Residential - R2	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Service Charge	\$	596.12	596.12
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$	-	-
Monthly Service Charge Rate Adder # 2	\$	-	-
Distribution Volumetric Rate	\$/kW	2.4549	2.5492
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013		-	0.0044
Distribution Volumetric Rate Rate Adder # 2		-	-
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kW	(0.2025)	(0.2025)
Deferral Account Rate Rider # 2		-	-
Retail Transmission Rate - Network Service Rate	\$/kW	2.1218	2.1218
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7882	1.6634
Retail Transmission Rate - Network Service Rate - Interval Meter > 1,000 kW	\$/kW	2.2508	2.2508
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval > 1,000 kW	\$/kW	1.9763	1.8384
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25

Consumption	1,100,000 kWh	2500 kW
RPP Tier One	750 kWh	Load Factor 60.3%

Loss Factor	1.0864
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Residential - R2	Volume	Rate		Charge		Volume	Rate		Charge		Impacts	
		\$	\$	\$	\$		\$	\$	%	% of Total Bill		
Energy, First Tier (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	0.04%			
Energy, Second Tier (kWh)	1212000	0.0750	90900.00	1194290	0.0750	89571.75	-1328.25	-1.46%	67.40%			
Sub-Total: Energy			90948.75			89620.50	-1328.25	-1.46%	67.43%			
Monthly Service Charge	1	596.12	596.12	1	596.12	596.12	0.00	0.00%	0.45%			
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.00%			
Monthly Service Charge Rate Adder # 1	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%			
Monthly Service Charge Rate Adder # 2	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%			
Distribution Volumetric Rate	2500	2.4549	6137.25	2500	2.5492	6373.00	235.75	3.84%	4.80%			
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013	2500	0.0000	0.00	2500	0.0044	11.00	11.00	0.00%	0.01%			
Distribution Volumetric Rate Rate Adder # 2	2500	0.0000	0.00	2500	0.0000	0.00	0.00	0.00%	0.00%			
Deferral Account Rate Rider # 1- effective until December 31, 2010	2500	-0.2025	-506.25	2500	-0.2025	-506.25	0.00	0.00%	-0.38%			
Deferral Account Rate Rider # 2	2500	0.0000	0.00	2500	0.0000	0.00	0.00	0.00%	0.00%			
Total: Distribution			6227.12			6474.87	247.75	3.98%	4.87%			
Retail Transmission Rate - Network Service Rate - Interval Meter > 1,000 kW	2756	2.2508	6203.77	2716	2.2508	6113.17	-90.59	-1.46%	4.60%			
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval > 1,000 kW	2756	1.9763	5447.18	2716	1.8384	4993.09	-454.08	-8.34%	3.76%			
Total: Retail Transmission			11650.94			11106.27	-544.68	-4.67%	8.36%			
Sub-Total: Delivery (Distribution and Retail Transmission)			17878.06			17581.14	-296.93	-1.66%	13.23%			
Wholesale Market Service Rate	1212750	0.0052	6306.30	1195040	0.0052	6214.21	-92.09	-1.46%	4.68%			
Rural Rate Protection Charge	1212750	0.0010	1212.75	1195040	0.0013	1553.55	340.80	28.10%	1.17%			
Special Purpose Charge	1212750	0.0004	451.75	1195040	0.0004	445.15	-6.60	-1.46%	0.33%			
Standard Supply Service - Administrative Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%			
Sub-Total: Regulatory			7971.05			8213.16	242.11	3.04%	6.18%			
Debt Retirement Charge	1100000	0.0020	2200.00	1100000	0.0020	2200.00	0.00	0.00%	1.66%			
Total Bill Before Taxes			118997.86			117614.80	-1383.06	-1.16%	88.50%			
GST / HST		13%	15469.72		13%	15289.92	-179.80	-1.16%	11.50%			
Total Bill			\$ 134,467.59			\$ 132,904.72	\$ (1,562.86)	-1.16%	100.00%			

Electricity Distribution Impacts Rates Effective December 1, 2010

Seasonal	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Service Charge	\$	24.00	26.07
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$	-	-
Monthly Service Charge Rate Adder # 2	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0700	0.1001
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013	0	-	0.0083
Distribution Volumetric Rate Rate Adder # 2 - effective until June 30, 2016	0	-	0.0307
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
Deferral Account Rate Rider # 2	0	-	-
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25

Consumption	287 kWh	kW
RPP Tier One	750 kWh	Load Factor

Loss Factor 1.0864

Seasonal	Volume	Rate		Volume	Charge		Impacts		
		\$	\$		\$	\$	%	% of Total Bill	
Energy, First Tier (kWh)	316	0.0650	20.5671375	312	0.0650	20.266792	-0.30	-1.46%	19.43%
Energy, Second Tier (kWh)	0	0.0750	0.00	0	0.0750	0.00	0.00	0.00%	0.00%
Sub-Total: Energy			20.57			20.27	-0.30	-1.46%	19.43%
Monthly Service Charge	1	24	24	1	26.07	26.07	2.07	8.63%	25.00%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.96%
Monthly Service Charge Rate Adder # 1	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Monthly Service Charge Rate Adder # 2	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	287	0.0700	20.09	287	0.1001	28.73	8.64	43.00%	27.55%
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013	287	0.0000	0.00	287	0.0083	2.38	2.38	0.00%	2.28%
Distribution Volumetric Rate Rate Adder # 2 - effective until June 30, 2016	287	0.0000	0.00	287	0.0307	8.81	8.81	0.00%	8.45%
Deferral Account Rate Rider # 1- effective until December 31, 2010	287	-0.0041	-1.18	287	-0.0041	-1.18	0.00	0.00%	-1.13%
Deferral Account Rate Rider # 2	287	0.0000	0.00	287	0.0000	0.00	0.00	0.00%	0.00%
Total: Distribution			42.9133			65.82	22.90	53.37%	63.11%
Retail Transmission Rate - Network Service Rate	316	0.0057	1.80	312	0.0057	1.78	-0.03	-1.46%	1.70%
Retail Transmission Rate - Line and Transformation Connection Service Rate	316	0.0050	1.58	312	0.0047	1.47	-0.12	-7.37%	1.41%
Total: Retail Transmission			3.39			3.24	-0.14	-4.22%	3.11%
Sub-Total: Delivery (Distribution and Retail Transmission)			46.30			69.06	22.76	49.16%	66.22%
Wholesale Market Service Rate	316	0.0052	1.65	312	0.0052	1.62	-0.02	-1.46%	1.55%
Rural Rate Protection Charge	316	0.0010	0.32	312	0.0013	0.41	0.09	28.10%	0.39%
Special Purpose Charge	316	0.0004	0.12	312	0.0004	0.12	0.00	-1.46%	0.11%
Standard Supply Service - Administrative Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.24%
Sub-Total: Regulatory			2.33			2.39	0.06	2.71%	2.29%
Debt Retirement Charge	287	0.0020	0.57	287	0.0020	0.57	0.00	0.00%	0.55%
Total Bill Before Taxes			69.77			92.29	22.52	32.28%	88.50%
GST / HST		13%	9.07		13%	12.00	2.93	32.28%	11.50%
Total Bill			\$ 78.84			\$ 104.29	\$ 25.45	32.28%	100.00%

Electricity Distribution Impacts Rates Effective December 1, 2010

Street Lighting	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Service Charge	\$	-	0.98
Smart Meter Rate Adder	\$	-	-
Monthly Service Charge Rate Adder # 1	\$	-	-
Monthly Service Charge Rate Adder # 2	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0496	0.0367
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013	0	-	0.0219
Distribution Volumetric Rate Rate Adder # 2 - effective until June 30, 2016	0	-	-
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kWh	(0.0016)	(0.0016)
Deferral Account Rate Rider # 2	0	-	-
Retail Transmission Rate - Network Service Rate	\$/kW	1.6002	1.6002
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3824	1.2859
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25

Consumption	25,000 kWh	71.46 kW
RPP Tier One	750 kWh	Load Factor 48%

Loss Factor	1.0864
-------------	--------

Street Lighting	Volume	Rate		Volume	Charge		Impacts		
		\$	\$		\$	\$	\$	%	% of Total Bill
Energy, First Tier (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	0.97%
Energy, Second Tier (kWh)	26813	0.0750	2010.94	26410	0.0750	1980.75	-30.19	-1.50%	39.46%
Sub-Total: Energy			2059.69			2029.50	-30.19	-1.47%	40.44%
Monthly Service Charge	428	0	0	428	0.98	419.44	419.44	0.00%	8.36%
Smart Meter Rate Adder	428	0.00	0.00	428	0.00	0.00	0.00	0.00%	0.00%
Monthly Service Charge Rate Adder # 1	428	0.00	0.00	428	0.00	0.00	0.00	0.00%	0.00%
Monthly Service Charge Rate Adder # 2	428	0.00	0.00	428	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	25000	0.0496	1240.00	25000	0.0367	917.50	-322.50	-26.01%	18.28%
Distribution Volumetric Rate Rate Adder # 1- effective until May 31, 2013	25000	0.0000	0.00	25000	0.0219	547.50	547.50	0.00%	10.91%
Distribution Volumetric Rate Rate Adder # 2 - effective until June 30, 2016	25000	0.0000	0.00	25000	0.0000	0.00	0.00	0.00%	0.00%
Deferral Account Rate Rider # 1- effective until December 31, 2010	25000	-0.0016	-40.00	25000	-0.0016	-40.00	0.00	0.00%	-0.80%
Deferral Account Rate Rider # 2	25000	0.0000	0.00	25000	0.0000	0.00	0.00	0.00%	0.00%
Total: Distribution			1200			1844.44	644.44	53.70%	36.75%
Retail Transmission Rate - Network Service Rate	78.8	1.6002	126.07	77.6	1.6002	124.23	-1.84	-1.46%	2.48%
Retail Transmission Rate - Line and Transformation Connection Service Rate	78.8	1.3824	108.91	77.6	1.2859	99.83	-9.08	-8.34%	1.99%
Total: Retail Transmission			234.98			224.06	-10.92	-4.65%	4.46%
Sub-Total: Delivery (Distribution and Retail Transmission)			1434.98			2068.50	633.52	44.15%	41.21%
Wholesale Market Service Rate	27563	0.0052	143.33	27160	0.0052	141.23	-2.09	-1.46%	2.81%
Rural Rate Protection Charge	27563	0.0010	27.56	27160	0.0013	35.31	7.75	28.10%	0.70%
Special Purpose Charge	27563	0.0004	10.27	27160	0.0004	10.12	-0.15	-1.46%	0.20%
Standard Supply Service - Administrative Charge (if applicable)	428	0.25	107.00	428	0.25	107.00	0.00	0.00%	2.13%
Sub-Total: Regulatory			288.15			293.66	5.50	1.91%	5.85%
Debt Retirement Charge	25000	0.0020	50.00	25000	0.0020	50.00	0.00	0.00%	1.00%
Total Bill Before Taxes			3832.83			4441.66	608.83	15.88%	88.50%
GST / HST		13%	498.27		13%	577.42	79.15	15.88%	11.50%
Total Bill			\$ 4,331.09			\$ 5,019.07	\$ 687.98	15.88%	100.00%

Appendix “F”

REVENUE DEFICIENCY/SUFFICIENCY

Description	2007 Board Approved	2007 Actual	2008 Actual	2009 Actual	2010 Test Year	2011 Test Year
Distribution Revenue	17,631,884	13,184,373	18,535,556	17,566,544	17,619,307	17,708,704
Operation, Maintenance & Administrative	7,995,724	8,022,318	8,530,565	8,615,754	8,639,236	9,420,207
Depreciation & Amortization	3,607,303	3,559,152	3,727,967	3,651,441	4,056,672	4,512,684
Property Taxes	164,250	163,402	163,956	146,241	150,000	150,000
Capital Taxes (2010 and 2011 Tax Model Output)	123,167	52,047	(39,436)	200,226	49,748	
Total Costs	11,890,444	11,796,920	12,383,051	12,613,662	12,895,656	14,082,891
Utility Income before Taxes	5,741,441	1,387,453	6,152,505	4,952,882	4,723,651	3,625,813
Income tax (2010 and 2011 Tax Model Output)	1,492,000	96,587	1,580,251	833,310	700,958	499,851
Utility Income	A 4,249,441	1,290,866	4,572,254	4,119,572	4,022,693	3,125,962
Rate Base	B 57,518,786	57,774,016	62,743,449	65,485,469	69,471,646	76,827,242
Indicated Rate of Return	C=A/B 7.34%	2.23%	7.29%	6.29%	5.79%	4.07%
Approved/Requested Rate of Return	D 7.34%	7.34%	7.34%	7.34%	7.31%	7.31%
(Deficiency)/Sufficiency in Return	E=C-D 0.00%	-5.11%	-0.05%	-1.05%	-1.52%	-3.24%
Revenue (Deficiency)/Sufficiency	F=B*E -	(2,949,747)	(33,115)	(687,062)	(1,055,685)	(2,490,109)
Service Revenue Requirement	17,631,884	16,134,120	18,568,672	18,253,606	18,674,992	20,198,813
Less Revenue Offset	(383,884)	(395,713)	(726,826)	(375,362)	(343,057)	(370,082)
Base Revenue Requirement	17,248,000	15,738,406	17,841,846	17,878,244	18,331,935	19,828,731
Add Transformer credit	34,300	46,766	47,885	51,078	51,942	51,942
Less RRRP as Board approved	(8,861,847)	(4,509,821)	(8,861,847)	(8,861,847)	(8,861,847)	(8,861,847)
Revenue to collected in rates	8,420,453	11,275,351	9,027,884	9,067,475	9,522,030	11,018,826

Appendix “G”



Revenue Requirement Work Form

Name of LDC: (1)
File Number:
Rate Year: Version: 1.0

Table of Content

<u>Sheet</u>	<u>Name</u>
A	Data Input Sheet
1	Rate Base
2	Utility Income
3	Taxes/PILS
4	Capitalization/Cost of Capital
5	Revenue Sufficiency/Deficiency
6	Revenue Requirement
7	Bill Impacts

Notes:

(1) Pale green cells represent inputs

(2) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**

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Revenue Requirement Work Form

Name of LDC: Algoma Power Inc.

File Number: EB-2009-0278

Rate Year: 2011

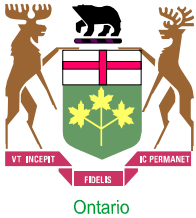
Data Input (1)

	Application	Adjustments	Per Board Decision
1 Rate Base			
Gross Fixed Assets (average)	\$124,202,053 (4)		\$124,202,053
Accumulated Depreciation (average)	(\$51,487,449) (5)		(\$51,487,449)
Allowance for Working Capital:			
Controllable Expenses	\$9,570,207 (6)		\$9,570,207
Cost of Power	\$17,847,379		\$17,847,379
Working Capital Rate (%)	15.00%		
2 Utility Income			
Operating Revenues:			
Distribution Revenue at Current Rates	\$17,338,622		
Distribution Revenue at Proposed Rates	\$19,828,731		
Other Revenue:			
Specific Service Charges	\$110,000		
Late Payment Charges	\$7,500		
Other Distribution Revenue	\$252,582		
Other Income and Deductions			
Operating Expenses:			
OM+A Expenses	\$9,420,207		\$9,420,207
Depreciation/Amortization	\$4,512,684		\$4,512,684
Property taxes	\$150,000		\$150,000
Capital taxes	\$0		
Other expenses			
3 Taxes/PILs			
Taxable Income:			
Adjustments required to arrive at taxable income	(\$1,757,459) (3)		
Utility Income Taxes and Rates:			
Income taxes (not grossed up)	\$358,643		
Income taxes (grossed up)	\$499,851		
Capital Taxes	\$ -		
Federal tax (%)	16.50%		
Provincial tax (%)	11.75%		
Income Tax Credits	\$ -		
4 Capitalization/Cost of Capital			
Capital Structure:			
Long-term debt Capitalization Ratio (%)	56.0%		
Short-term debt Capitalization Ratio (%)	4.0% (2)		(2)
Common Equity Capitalization Ratio (%)	40.0%		
Preferred Shares Capitalization Ratio (%)			
			Capital Structure must total 100%
Cost of Capital			
Long-term debt Cost Rate (%)	5.87%		
Short-term debt Cost Rate (%)	2.07%		
Common Equity Cost Rate (%)	9.85%		
Preferred Shares Cost Rate (%)			

Notes:

This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.



Revenue Requirement Work Form

Name of LDC: Algoma Power Inc.

File Number: EB-2009-0278

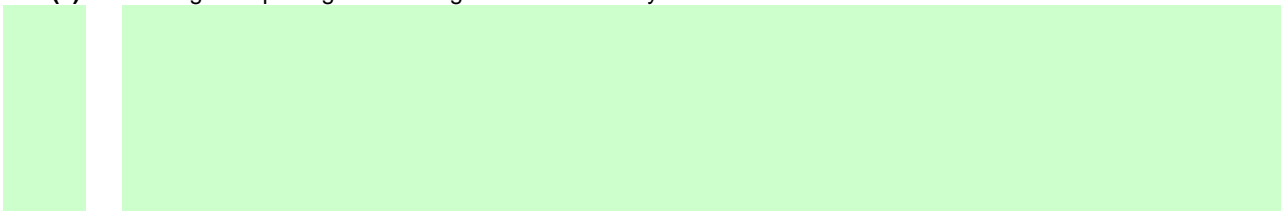
Rate Year: 2011

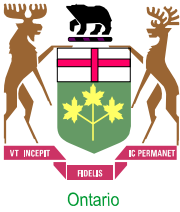
Line No.	Particulars	Rate Base		
		Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$124,202,053	\$ -	\$124,202,053
2	Accumulated Depreciation (average) (3)	(\$51,487,449)	\$ -	(\$51,487,449)
3	Net Fixed Assets (average) (3)	\$72,714,604	\$ -	\$72,714,604
4	Allowance for Working Capital (1)	\$4,112,638	\$ -	\$4,112,638
5	Total Rate Base	\$76,827,242	\$ -	\$76,827,242

(1) Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$9,570,207	\$ -	\$9,570,207
7	Cost of Power	\$17,847,379	\$ -	\$17,847,379
8	Working Capital Base	\$27,417,586	\$ -	\$27,417,586
9	Working Capital Rate % (2)	15.00%		15.00%
10	Working Capital Allowance	\$4,112,638	\$ -	\$4,112,638

Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
 (3) Average of opening and closing balances for the year.





Revenue Requirement Work Form

Name of LDC: Algoma Power Inc.

File Number: EB-2009-0278

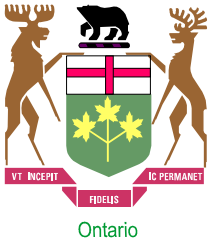
Rate Year: 2011

Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
Operating Revenues:				
1	Distribution Revenue (at Proposed Rates)	\$19,828,731	\$ -	\$19,828,731
2	Other Revenue (1)	\$370,082	\$ -	\$370,082
3	Total Operating Revenues	\$20,198,813	\$ -	\$20,198,813
Operating Expenses:				
4	OM+A Expenses	\$9,420,207	\$ -	\$9,420,207
5	Depreciation/Amortization	\$4,512,684	\$ -	\$4,512,684
6	Property taxes	\$150,000	\$ -	\$150,000
7	Capital taxes	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$14,082,891	\$ -	\$14,082,891
10	Deemed Interest Expense	\$2,589,078	\$ -	\$2,589,078
11	Total Expenses (lines 4 to 10)	\$16,671,969	\$ -	\$16,671,969
12	Utility income before income taxes	\$3,526,844	\$ -	\$3,526,844
13	Income taxes (grossed-up)	\$499,851	\$ -	\$499,851
14	Utility net income	\$3,026,993	\$ -	\$3,026,993

Notes

(1)	Other Revenues / Revenue Offsets		
	Specific Service Charges	\$110,000	\$110,000
	Late Payment Charges	\$7,500	\$7,500
	Other Distribution Revenue	\$252,582	\$252,582
	Other Income and Deductions	\$ -	\$ -
	Total Revenue Offsets	\$370,082	\$370,082



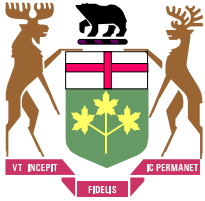
Revenue Requirement Work Form

Name of LDC: Algoma Power Inc.
 File Number: EB-2009-0278
 Rate Year: 2011

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<u>Determination of Taxable Income</u>			
1	Utility net income	\$3,026,993	\$3,026,993
2	Adjustments required to arrive at taxable utility income	(\$1,757,459)	(\$1,757,459)
3	Taxable income	<u>\$1,269,534</u>	<u>\$1,269,534</u>
<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$358,643	\$358,643
5	Capital taxes	\$ -	\$ -
6	Total taxes	<u>\$358,643</u>	<u>\$358,643</u>
7	Gross-up of Income Taxes	<u>\$141,208</u>	<u>\$141,208</u>
8	Grossed-up Income Taxes	<u>\$499,851</u>	<u>\$499,851</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$499,851</u>	<u>\$499,851</u>
10	Other tax Credits	\$ -	\$ -
<u>Tax Rates</u>			
11	Federal tax (%)	16.50%	16.50%
12	Provincial tax (%)	11.75%	11.75%
13	Total tax rate (%)	<u>28.25%</u>	<u>28.25%</u>

Notes



Ontario

Revenue Requirement Work Form

Name of LDC: Algoma Power Inc.

File Number: EB-2009-0278

Rate Year: 2011

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)		
Application					
		(%)	(\$)	(%)	(\$)
Debt					
1	Long-term Debt	56.00%	\$43,023,255	5.87%	\$2,525,465
2	Short-term Debt	4.00%	\$3,073,090	2.07%	\$63,613
3	Total Debt	60.00%	\$46,096,345	5.62%	\$2,589,078
Equity					
4	Common Equity	40.00%	\$30,730,897	9.85%	\$3,026,993
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$30,730,897	9.85%	\$3,026,993
7	Total	100%	\$76,827,242	7.31%	\$5,616,071
Per Board Decision					
		(%)	(\$)	(%)	
Debt					
8	Long-term Debt	56.00%	\$43,023,255	5.87%	\$2,525,465
9	Short-term Debt	4.00%	\$3,073,090	2.07%	\$63,613
10	Total Debt	60.00%	\$46,096,345	5.62%	\$2,589,078
Equity					
11	Common Equity	40.0%	\$30,730,897	9.85%	\$3,026,993
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	40.0%	\$30,730,897	9.85%	\$3,026,993
14	Total	100%	\$76,827,242	7.31%	\$5,616,071

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.



Revenue Requirement Work Form

Name of LDC: Algoma Power Inc.

File Number: EB-2009-0278

Rate Year: 2011

Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$2,490,110		\$2,490,110
2	Distribution Revenue	\$17,338,622	\$17,338,621	\$17,338,622	\$17,338,621
3	Other Operating Revenue Offsets - net	\$370,082	\$370,082	\$370,082	\$370,082
4	Total Revenue	\$17,708,704	\$20,198,813	\$17,708,704	\$20,198,813
5	Operating Expenses	\$14,082,891	\$14,082,891	\$14,082,891	\$14,082,891
6	Deemed Interest Expense	\$2,589,078	\$2,589,078	\$2,589,078	\$2,589,078
	Total Cost and Expenses	\$16,671,969	\$16,671,969	\$16,671,969	\$16,671,969
7	Utility Income Before Income Taxes	\$1,036,735	\$3,526,844	\$1,036,735	\$3,526,844
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	(\$1,757,459)	(\$1,757,459)	(\$1,757,459)	(\$1,757,459)
9	Taxable Income	(\$720,724)	\$1,769,385	(\$720,724)	\$1,769,385
10	Income Tax Rate	28.25%	28.25%	28.25%	28.25%
11	Income Tax on Taxable Income	(\$203,605)	\$499,851	(\$203,605)	\$499,851
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	\$1,240,339	\$3,026,993	\$1,240,339	\$3,026,993
14	Utility Rate Base	\$76,827,242	\$76,827,242	\$76,827,242	\$76,827,242
	Deemed Equity Portion of Rate Base	\$30,730,897	\$30,730,897	\$30,730,897	\$30,730,897
15	Income/Equity Rate Base (%)	4.04%	9.85%	4.04%	9.85%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.85%	9.85%
	Sufficiency/Deficiency in Return on Equity	-5.81%	0.00%	-5.81%	0.00%
17	Indicated Rate of Return	4.98%	7.31%	4.98%	7.31%
18	Requested Rate of Return on Rate Base	7.31%	7.31%	7.31%	7.31%
19	Sufficiency/Deficiency in Rate of Return	-2.33%	0.00%	-2.33%	0.00%
20	Target Return on Equity	\$3,026,993	\$3,026,993	\$3,026,993	\$3,026,993
21	Revenue Sufficiency/Deficiency	\$1,786,654	(\$0)	\$1,786,654	(\$0)
22	Gross Revenue Sufficiency/Deficiency	\$2,490,110 (1)		\$2,490,110 (1)	

Notes:

(1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)



Revenue Requirement Work Form

Name of LDC: Algoma Power Inc.

File Number: EB-2009-0278

Rate Year: 2011

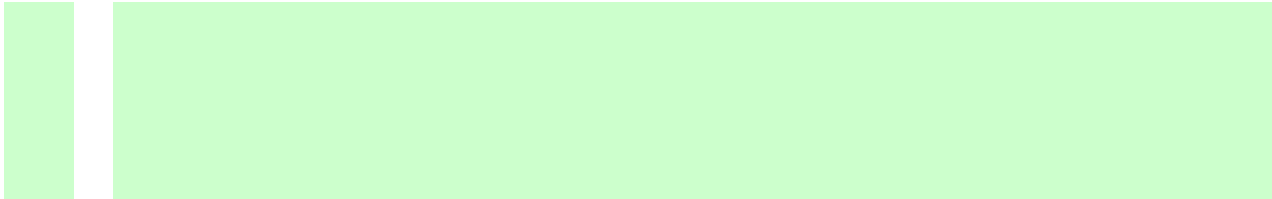
Ontario

Line No.	Particulars	Revenue Requirement	
		Application	Per Board Decision
1	OM&A Expenses	\$9,420,207	\$9,420,207
2	Amortization/Depreciation	\$4,512,684	\$4,512,684
3	Property Taxes	\$150,000	\$150,000
4	Capital Taxes	\$ -	\$ -
5	Income Taxes (Grossed up)	\$499,851	\$499,851
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$2,589,078	\$2,589,078
	Return on Deemed Equity	\$3,026,993	\$3,026,993
8	Distribution Revenue Requirement before Revenues	<u>\$20,198,813</u>	<u>\$20,198,813</u>
9	Distribution revenue	\$19,828,731	\$19,828,731
10	Other revenue	<u>\$370,082</u>	<u>\$370,082</u>
11	Total revenue	<u>\$20,198,813</u>	<u>\$20,198,813</u>
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u><u>(\$0) (1)</u></u>	<u><u>(\$0) (1)</u></u>

Notes

(1)

Line 11 - Line 8





Revenue Requirement Work Form

Name of LDC: Algoma Power Inc.

File Number: EB-2009-0278

Rate Year: 2011

Selected Delivery Charge and Bill Impacts Per Draft Rate Order									
		Monthly Delivery Charge				Total Bill			
		Current	Per Draft Rate Order	Change		Current	Per Draft Rate Order	Change	
				\$	%			\$	%
Residential	1000 kWh/month	\$ 56.81	\$ 63.72	\$ 6.91	12.2%	\$ 159.88	\$ 166.58	\$ 6.70	4.2%
GS < 50kW	2000 kWh/month			\$ -				\$ -	

Notes:

Appendix “H”

August 23, 2010

BY EMAIL: boardsec@oeb.gov.on.ca

MS. KIRSTEN WALLI
BOARD SECRETARY
ONTARIO ENERGY BOARD
P O BOX 2319
2300 YONGE STREET
SUITE 2700
TORONTO ON M4P 1E4

Dear Ms. Walli:

Re: File No. : EB 2009-0278
Re: Algoma Coalition - Algoma Power
2010 & 2011 Electricity Distribution Rate Application
Our File No.: 12524-5

I act for the Algoma Coalition.

Unfortunately, due to the previous commitments, neither myself nor the CAO of Wawa are available to attend the conferences this week.

Due to very short notice of the existence of the Application, interrogatories were not filed. The expert witness commonly retained by the Algoma Coalition has now been retained by the Applicant and accordingly the Coalition was not able to properly respond to this Application.

The Coalition has previously responded to both Transmission and Distribution Rate Applications brought by Great Lakes Power.

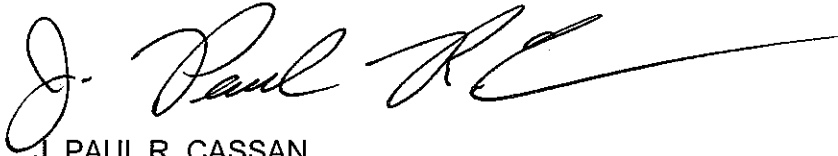
With respect to the Application brought by Algoma Power, it is the Algoma Coalition's request that a Rate Order include a stakeholder meeting to be held annually between Algoma Power and its various stakeholders including the members of the Algoma Coalition.

With respect to the Rate Application at issue, it is the Algoma Coalition's concern that with a declining residential population in the serviced area, it appears that the present Rate Application contemplates the increase in residential rates thereby subsidizing commercial and industrial rates of the serviced area. The Coalition is concerned about the impact this may have on its members' constituents.

Page 2
August 23, 2010

We express our regrets at being unavailable on the dates set by the Board for this conference and hope that the above noted issues can be raised and canvass conferences.

Yours very truly,
WISHART LAW FIRM LLP



J. PAUL R. CASSAN
Telephone Ext.: 230
Email: pcassan@wishartlaw.com
Assistant: Shawna Koivisto
Telephone Ext.: 222
Email: skoivisto@wishartlaw.com

JPRC:sk

cc: Chris Wray
cwray@wawa.cc

Wishart
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Appendix "I"

Algoma Power Inc.
Proposed
TARIFF OF RATES AND CHARGES
Effective December 1, 2010
Implementation Date December 1, 2010
Rates and Charges become Interim December 31, 2011
This schedule supersedes and replaces all previously approved schedules of
Rates, Charges and Loss Factors

EB-2009-0278

APPLICATION

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.
- No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

IMPLEMENTATION DATES

DISTRIBUTION RATES – December 1, 2010 for all consumption or deemed consumption service used on or after that date.
SPECIFIC SERVICE CHARGES – December 1, 2010 for all charges incurred by customers on or after that date.
RETAIL SERVICE CHARGES – December 1, 2010 for all charges incurred by retailers or customers on or after that date.
LOSS FACTOR ADJUSTMENT – December 1, 2010 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

SERVICE CLASSIFICATIONS

Residential Customers

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*.

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.

Seasonal Customers

This classification includes all services supplied to single-family dwelling units for domestic purposes, which are occupied on a seasonal/intermittent basis. A service is defined as Seasonal if occupancy is for a period of less than eight months of the year.

Residential – Street Lighting

This classification refers to an account for roadway lighting. The consumption for these unmetered accounts will be based on the calculated connection load times the calculated hours of use established in the approved OEB street lighting load shape template.

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MONTHLY RATES AND CHARGES**Residential – R1**

Service Charge	\$	20.82
Smart Meter Rate Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0293
Deferral Account Rate Rider – effective until December 31, 2010	\$/kWh	(0.0041)
Deferral Account Rate Rider – effective until May 31, 2013	\$/kWh	0.0044
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Residential – R2

Service Charge	\$	596.12
Smart Meter Rate Adder	\$	1.00
Distribution Volumetric Rate	\$/kW	2.5492
Deferral Account Rate Rider – effective until December 31, 2010	\$/kW	(0.2025)
Deferral Account Rate Rider – effective until May 31, 2013	\$/kW	0.0044
Retail Transmission Rate – Network Service Rate	\$/kW	2.1218
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6634
Retail Transmission Rate – Network Service Rate – Interval Metered >1,000 kW	\$/kW	2.2508
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered >1,000 kW	\$/kW	1.8384
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Seasonal

Service Charge	\$	26.07
Smart Meter Rate Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.1001
Deferral Account Rate Rider – effective until December 31, 2010	\$/kWh	(0.0041)
Deferral Account Rate Rider – effective until May 31, 2013	\$/kWh	0.0045
Deferral Account Rate Rider – effective until December 31, 2015	\$/kWh	0.0307
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lighting

Service Charge	\$	0.98
Distribution Volumetric Rate	\$/kWh	0.0367
Deferral Account Rate Rider – effective until December 31, 2010	\$/kWh	(0.0016)
Deferral Account Rate Rider – effective until May 31, 2013	\$/kWh	0.0047
Retail Transmission Rate – Network Service Rate	\$/kW	1.6002
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2859
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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EB-2009-0278

Specific Service Charges

Customer Administration		
Arrears certificate (credit reference)	\$	15.00
Statement of Account	\$	15.00
Pulling Post Dated Cheques	\$	15.00
Duplicate Invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Income Tax Letter	\$	15.00
Notification charge	\$	15.00
Account History	\$	15.00
Credit Reference/credit check (plus credit agency costs)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheques	\$	15.00
Legal letter charge	\$	15.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection - during regular business hours	\$	30.00
Collection of account charge - no disconnection - after regular hours	\$	165.00
Disconnect/Reconnect Charges - at meter during regular hours	\$	65.00
Disconnect/Reconnect Charges - at meter after regular hours	\$	185.00
Disconnect/Reconnect Charges at Pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device - after regular hours	\$	185.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
Service Call - customer owned equipment	\$	30.00
Service Call - after regular hours	\$	165.00
Temporary service install & remove - overhead - no transformer	\$	500.00
Temporary service install & remove - underground - no transformer	\$	300.00
Temporary service install & remove - overhead - with transformer	\$	1000.00
Allowances		
Transformer Allowance for Ownership – per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the		

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Electronic Business Transaction (EBT) system, applied to the requesting party
 Up to twice a year
 More than twice a year, per request (plus incremental delivery costs)

no charge
 \$ 2.00

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer
 Total Loss Factor – Primary Metered Customer

1.0864
 1.0755



**Algoma Power Inc.
2011 Distribution Rate Impact Module
2010 Electricity Distribution Rate Application
EB-2009-0278
June 1, 2010
Settlement Version Filed September 8, 2010**

Electricity Distribution Impacts Rates Effective December 1, 2010

	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Rates and Charges			
Residential - R1			
Monthly Service Charge	\$	20.41	20.82
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$		
Monthly Service Charge Rate Adder # 2	\$		
Distribution Volumetric Rate	\$/kWh	0.0287	0.0293
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013			0.0044
Distribution Volumetric Rate Rate Adder # 2			
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
Deferral Account Rate Rider # 2			
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0003725	0.0003725
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25
Residential - R2			
Monthly Service Charge	\$	596.12	596.12
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$		
Monthly Service Charge Rate Adder # 2	\$		
Distribution Volumetric Rate	\$/kW	2.4549	2.5492
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013			0.0044
Distribution Volumetric Rate Rate Adder # 2			
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kW	(0.2025)	(0.2025)
Deferral Account Rate Rider # 2			
Retail Transmission Rate - Network Service Rate	\$/kW	2.1218	2.1218
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7882	1.6634
Retail Transmission Rate - Network Service Rate - Interval Meter > 1,000 kW	\$/kW	2.2508	2.2508
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval > 1,000 kW	\$/kW	1.9763	1.8384
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0003725	0.0003725
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25
Seasonal			
Monthly Service Charge	\$	24.00	26.07
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$		
Monthly Service Charge Rate Adder # 2	\$		
Distribution Volumetric Rate	\$/kWh	0.0700	0.1001
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013			0.0045
Distribution Volumetric Rate Rate Adder # 2- effective until June 30, 2016			0.0307
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
Deferral Account Rate Rider # 2			
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0003725	0.0003725
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25
Street Lighting			
Monthly Service Charge	\$	-	0.98
Smart Meter Rate Adder	\$	-	-
Monthly Service Charge Rate Adder # 1	\$		
Monthly Service Charge Rate Adder # 2	\$		
Distribution Volumetric Rate	\$/kWh	0.0496	0.0367
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013			0.0047
Distribution Volumetric Rate Rate Adder # 2			
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kWh	(0.0016)	(0.0016)
Deferral Account Rate Rider # 2			
Retail Transmission Rate - Network Service Rate	\$/kW	1.6002	1.6002
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3824	1.2859
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0003725	0.0003725
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25
Other			
Debt Retirement Charge	\$/kWh	0.0020	0.0020
Energy - First Tier	\$/kWh	0.0650	0.0650
Energy - Second Tier	\$/kWh	0.0750	0.0750
Loss Factor			
Total Loss Factor		1.1025	1.0864
GST / HST		13%	13%

**Electricity Distribution Impacts
Rates Effective December 1, 2010**

Residential - R1	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Service Charge	\$	20.41	20.82
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$	-	-
Monthly Service Charge Rate Adder # 2	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0287	0.0293
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013		-	0.0044
Distribution Volumetric Rate Rate Adder # 2		-	-
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
Deferral Account Rate Rider # 2		-	-
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25

Consumption	800 kWh	kWh
RPP Tier One	750 kWh	Load Factor

Loss Factor	1.0864
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Residential - R1	Volume	Rate		Volume	Charge		Impacts		
		\$	\$		\$	%	% of Total Bill		
Energy, First Tier (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	35.94%
Energy, Second Tier (kWh)	132	0.0750	9.90	119	0.0750	8.93	-0.97	-9.76%	6.59%
Sub-Total: Energy			58.65			57.68	-0.97	-1.65%	42.52%
Monthly Service Charge	1	20.41	20.41	1	20.82	20.82	0.41	2.01%	15.35%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.74%
Monthly Service Charge Rate Adder # 1	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Monthly Service Charge Rate Adder # 2	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	800	0.0287	22.96	800	0.0293	23.44	0.48	2.09%	17.28%
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013	800	0.0000	0.00	800	0.0044	3.52	3.52	0.00%	2.59%
Distribution Volumetric Rate Rate Adder # 2	800	0.0000	0.00	800	0.0000	0.00	0.00	0.00%	0.00%
Deferral Account Rate Rider # 1- effective until December 31, 2010	800	-0.0041	-3.28	800	-0.0041	-3.28	0.00	0.00%	-2.42%
Deferral Account Rate Rider # 2	800	0.0000	0.00	800	0.0000	0.00	0.00	0.00%	0.00%
Total: Distribution			40.09			45.50	5.41	13.49%	33.54%
Retail Transmission Rate - Network Service Rate	882	0.0057	5.03	869	0.0057	4.95	-0.07	-1.46%	3.65%
Retail Transmission Rate - Line and Transformation Connection Service Rate	882	0.0050	4.41	869	0.0047	4.08	-0.33	-7.37%	3.01%
Total: Retail Transmission			9.44			9.04	-0.40	-4.22%	6.66%
Sub-Total: Delivery (Distribution and Retail Transmission)			49.53			54.54	5.01	10.12%	40.21%
Wholesale Market Service Rate	882	0.0052	4.59	869	0.0052	4.52	-0.07	-1.46%	3.33%
Rural Rate Protection Charge	882	0.0010	0.88	869	0.0013	1.13	0.25	28.10%	0.83%
Special Purpose Charge	882	0.0004	0.33	869	0.0004	0.32	0.00	-1.46%	0.24%
Standard Supply Service - Administrative Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.18%
Sub-Total: Regulatory			6.05			6.22	0.18	2.91%	4.59%
Debt Retirement Charge	800	0.0020	1.60	800	0.0020	1.60	0.00	0.00%	1.18%
Total Bill Before Taxes			115.82			120.05	4.22	3.64%	88.50%
GST / HST		13%	15.06		13%	15.61	0.55	3.64%	11.50%
Total Bill			\$ 130.88			\$ 135.65	\$ 4.77	3.64%	100.00%

**Electricity Distribution Impacts
Rates Effective December 1, 2010**

Residential - R2	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Service Charge	\$	596.12	596.12
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$	-	-
Monthly Service Charge Rate Adder # 2	\$	-	-
Distribution Volumetric Rate	\$/kW	2.4549	2.5492
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013		-	0.0044
Distribution Volumetric Rate Rate Adder # 2		-	-
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kW	(0.2025)	(0.2025)
Deferral Account Rate Rider # 2		-	-
Retail Transmission Rate - Network Service Rate	\$/kW	2.1218	2.1218
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7882	1.6634
Retail Transmission Rate - Network Service Rate - Interval Meter > 1,000 kW	\$/kW	2.2508	2.2508
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval > 1,000 kW	\$/kW	1.9763	1.8384
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25

Consumption	90,000 kWh	225 kW
RPP Tier One	750 kWh	Load Factor 54.8%

Loss Factor	1.0864
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Residential - R2	Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Impacts		
							\$	%	% of Total Bill
Energy, First Tier (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	0.42%
Energy, Second Tier (kWh)	98475	0.0750	7385.63	97026	0.0750	7276.95	-108.68	-1.47%	62.95%
Sub-Total: Energy			7434.38			7325.70	-108.68	-1.46%	63.38%
Monthly Service Charge	1	596.12	596.12	1	596.12	596.12	0.00	0.00%	5.16%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.01%
Monthly Service Charge Rate Adder # 1	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Monthly Service Charge Rate Adder # 2	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	225	2.4549	552.35	225	2.5492	573.57	21.22	3.84%	4.96%
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013	225	0.0000	0.00	225	0.0044	0.99	0.99	0.00%	0.01%
Distribution Volumetric Rate Rate Adder # 2	225	0.0000	0.00	225	0.0000	0.00	0.00	0.00%	0.00%
Deferral Account Rate Rider # 1- effective until December 31, 2010	225	-0.2025	-45.56	225	-0.2025	-45.56	0.00	0.00%	-0.39%
Deferral Account Rate Rider # 2	225	0.0000	0.00	225	0.0000	0.00	0.00	0.00%	0.00%
Total: Distribution			1102.91			1126.12	23.21	2.10%	9.74%
Retail Transmission Rate - Network Service Rate	248	2.1218	526.34	244	2.1218	518.65	-7.69	-1.46%	4.49%
Retail Transmission Rate - Line and Transformation Connection Service Rate	248	1.7882	443.59	244	1.6634	406.60	-36.98	-8.34%	3.52%
Total: Retail Transmission			969.92			925.25	-44.67	-4.61%	8.00%
Sub-Total: Delivery (Distribution and Retail Transmission)			2072.83			2051.37	-21.46	-1.04%	17.75%
Wholesale Market Service Rate	99225	0.0052	515.97	97776	0.0052	508.44	-7.53	-1.46%	4.40%
Rural Rate Protection Charge	99225	0.0010	99.23	97776	0.0013	127.11	27.88	28.10%	1.10%
Special Purpose Charge	99225	0.0004	36.96	97776	0.0004	36.42	-0.54	-1.46%	0.32%
Standard Supply Service - Administrative Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
Sub-Total: Regulatory			652.41			672.22	19.81	3.04%	5.82%
Debt Retirement Charge	90000	0.0020	180.00	90000	0.0020	180.00	0.00	0.00%	1.56%
Total Bill Before Taxes			10339.62			10229.29	-110.33	-1.07%	88.50%
GST / HST		13%	1344.15		13%	1329.81	-14.34	-1.07%	11.50%
Total Bill			\$ 11,683.77			\$ 11,559.09	\$ (124.67)	-1.07%	100.00%

**Electricity Distribution Impacts
Rates Effective December 1, 2010**

Residential Customers with an Interval Meter

Residential - R2	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Service Charge	\$	596.12	596.12
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$	-	-
Monthly Service Charge Rate Adder # 2	\$	-	-
Distribution Volumetric Rate	\$/kW	2.4549	2.5492
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013		-	0.0044
Distribution Volumetric Rate Rate Adder # 2		-	-
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kW	(0.2025)	(0.2025)
Deferral Account Rate Rider # 2		-	-
Retail Transmission Rate - Network Service Rate	\$/kW	2.1218	2.1218
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7882	1.6634
Retail Transmission Rate - Network Service Rate - Interval Meter > 1,000 kW	\$/kW	2.2508	2.2508
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval > 1,000 kW	\$/kW	1.9763	1.8384
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25

Consumption	1,100,000 kWh	2500 kW
RPP Tier One	750 kWh	Load Factor 60.3%

Loss Factor	1.0864
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Residential - R2	Volume	Rate		Volume	Charge		Impacts		
		\$	\$		\$	\$	%	% of Total Bill	
Energy, First Tier (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	0.04%
Energy, Second Tier (kWh)	1212000	0.0750	90900.00	1194290	0.0750	89571.75	-1328.25	-1.46%	67.40%
Sub-Total: Energy			90948.75			89620.50	-1328.25	-1.46%	67.43%
Monthly Service Charge	1	596.12	596.12	1	596.12	596.12	0.00	0.00%	0.45%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.00%
Monthly Service Charge Rate Adder # 1	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Monthly Service Charge Rate Adder # 2	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	2500	2.4549	6137.25	2500	2.5492	6373.00	235.75	3.84%	4.80%
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013	2500	0.0000	0.00	2500	0.0044	11.00	11.00	0.00%	0.01%
Distribution Volumetric Rate Rate Adder # 2	2500	0.0000	0.00	2500	0.0000	0.00	0.00	0.00%	0.00%
Deferral Account Rate Rider # 1- effective until December 31, 2010	2500	-0.2025	-506.25	2500	-0.2025	-506.25	0.00	0.00%	-0.38%
Deferral Account Rate Rider # 2	2500	0.0000	0.00	2500	0.0000	0.00	0.00	0.00%	0.00%
Total: Distribution			6227.12			6474.87	247.75	3.98%	4.87%
Retail Transmission Rate - Network Service Rate - Interval Meter > 1,000 kW	2756	2.2508	6203.77	2716	2.2508	6113.17	-90.59	-1.46%	4.60%
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval > 1,000 kW	2756	1.9763	5447.18	2716	1.8384	4993.09	-454.08	-8.34%	3.76%
Total: Retail Transmission			11650.94			11106.27	-544.68	-4.67%	8.36%
Sub-Total: Delivery (Distribution and Retail Transmission)			17878.06			17581.14	-296.93	-1.66%	13.23%
Wholesale Market Service Rate	1212750	0.0052	6306.30	1195040	0.0052	6214.21	-92.09	-1.46%	4.68%
Rural Rate Protection Charge	1212750	0.0010	1212.75	1195040	0.0013	1553.55	340.80	28.10%	1.17%
Special Purpose Charge	1212750	0.0004	451.75	1195040	0.0004	445.15	-6.60	-1.46%	0.33%
Standard Supply Service - Administrative Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
Sub-Total: Regulatory			7971.05			8213.16	242.11	3.04%	6.18%
Debt Retirement Charge	1100000	0.0020	2200.00	1100000	0.0020	2200.00	0.00	0.00%	1.66%
Total Bill Before Taxes			118997.86			117614.80	-1383.06	-1.16%	88.50%
GST / HST		13%	15469.72		13%	15289.92	-179.80	-1.16%	11.50%
Total Bill			\$ 134,467.59			\$ 132,904.72	\$ (1,562.86)	-1.16%	100.00%

Electricity Distribution Impacts Rates Effective December 1, 2010

Seasonal	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Service Charge	\$	24.00	26.07
Smart Meter Rate Adder	\$	-	1.00
Monthly Service Charge Rate Adder # 1	\$	-	-
Monthly Service Charge Rate Adder # 2	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0700	0.1001
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013	0	-	0.0045
Distribution Volumetric Rate Rate Adder # 2 - effective until June 30, 2016	0	-	0.0307
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
Deferral Account Rate Rider # 2	0	-	-
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0057	0.0057
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25

Consumption	287 kWh	kW
RPP Tier One	750 kWh	Load Factor

Loss Factor 1.0864

Seasonal	Volume	Rate		Volume	Charge		Impacts		
		\$	\$		\$	\$	%	% of Total Bill	
Energy, First Tier (kWh)	316	0.0650	20.5671375	312	0.0650	20.266792	-0.30	-1.46%	19.67%
Energy, Second Tier (kWh)	0	0.0750	0.00	0	0.0750	0.00	0.00	0.00%	0.00%
Sub-Total: Energy			20.57			20.27	-0.30	-1.46%	19.67%
Monthly Service Charge	1	24	24	1	26.07	26.07	2.07	8.63%	25.30%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.97%
Monthly Service Charge Rate Adder # 1	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Monthly Service Charge Rate Adder # 2	1	0.00	0.00	1	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	287	0.0700	20.09	287	0.1001	28.73	8.64	43.00%	27.88%
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013	287	0.0000	0.00	287	0.0045	1.29	1.29	0.00%	1.25%
Distribution Volumetric Rate Rate Adder # 2 - effective until June 30, 2016	287	0.0000	0.00	287	0.0307	8.81	8.81	0.00%	8.55%
Deferral Account Rate Rider # 1- effective until December 31, 2010	287	-0.0041	-1.18	287	-0.0041	-1.18	0.00	0.00%	-1.14%
Deferral Account Rate Rider # 2	287	0.0000	0.00	287	0.0000	0.00	0.00	0.00%	0.00%
Total: Distribution			42.9133			64.72	21.81	50.83%	62.80%
Retail Transmission Rate - Network Service Rate	316	0.0057	1.80	312	0.0057	1.78	-0.03	-1.46%	1.72%
Retail Transmission Rate - Line and Transformation Connection Service Rate	316	0.0050	1.58	312	0.0047	1.47	-0.12	-7.37%	1.42%
Total: Retail Transmission			3.39			3.24	-0.14	-4.22%	3.15%
Sub-Total: Delivery (Distribution and Retail Transmission)			46.30			67.97	21.67	46.80%	65.95%
Wholesale Market Service Rate	316	0.0052	1.65	312	0.0052	1.62	-0.02	-1.46%	1.57%
Rural Rate Protection Charge	316	0.0010	0.32	312	0.0013	0.41	0.09	28.10%	0.39%
Special Purpose Charge	316	0.0004	0.12	312	0.0004	0.12	0.00	-1.46%	0.11%
Standard Supply Service - Administrative Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.24%
Sub-Total: Regulatory			2.33			2.39	0.06	2.71%	2.32%
Debt Retirement Charge	287	0.0020	0.57	287	0.0020	0.57	0.00	0.00%	0.56%
Total Bill Before Taxes			69.77			91.20	21.43	30.72%	88.50%
GST / HST		13%	9.07		13%	11.86	2.79	30.72%	11.50%
Total Bill			\$ 78.84			\$ 103.06	\$ 24.22	30.72%	100.00%

Electricity Distribution Impacts Rates Effective December 1, 2010

Street Lighting	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Service Charge	\$	-	0.98
Smart Meter Rate Adder	\$	-	-
Monthly Service Charge Rate Adder # 1	\$	-	-
Monthly Service Charge Rate Adder # 2	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0496	0.0367
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013	0	-	0.0047
Distribution Volumetric Rate Rate Adder # 2 - effective until June 30, 2016	0	-	-
Deferral Account Rate Rider # 1- effective until December 31, 2010	\$/kWh	(0.0016)	(0.0016)
Deferral Account Rate Rider # 2	0	-	-
Retail Transmission Rate - Network Service Rate	\$/kW	1.6002	1.6002
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3824	1.2859
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0013
Special Purpose Charge	\$/kWh	0.0004	0.0004
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	0.25

Consumption	25,000 kWh	71.46 kW
RPP Tier One	750 kWh	Load Factor 48%

Loss Factor	1.0864
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Street Lighting	Volume	Rate		Volume	Charge		Impacts		
		\$	\$		\$	\$	%	% of Total Bill	
Energy, First Tier (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	1.08%
Energy, Second Tier (kWh)	26813	0.0750	2010.94	26410	0.0750	1980.75	-30.19	-1.50%	43.69%
Sub-Total: Energy			2059.69			2029.50	-30.19	-1.47%	44.77%
Monthly Service Charge	428	0	0	428	0.98	419.44	419.44	0.00%	9.25%
Smart Meter Rate Adder	428	0.00	0.00	428	0.00	0.00	0.00	0.00%	0.00%
Monthly Service Charge Rate Adder # 1	428	0.00	0.00	428	0.00	0.00	0.00	0.00%	0.00%
Monthly Service Charge Rate Adder # 2	428	0.00	0.00	428	0.00	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate	25000	0.0496	1240.00	25000	0.0367	917.50	-322.50	-26.01%	20.24%
Distribution Volumetric Rate Rate Adder # 1- effective until June 30, 2013	25000	0.0000	0.00	25000	0.0047	117.50	117.50	0.00%	2.59%
Distribution Volumetric Rate Rate Adder # 2 - effective until June 30, 2016	25000	0.0000	0.00	25000	0.0000	0.00	0.00	0.00%	0.00%
Deferral Account Rate Rider # 1- effective until December 31, 2010	25000	-0.0016	-40.00	25000	-0.0016	-40.00	0.00	0.00%	-0.88%
Deferral Account Rate Rider # 2	25000	0.0000	0.00	25000	0.0000	0.00	0.00	0.00%	0.00%
Total: Distribution			1200			1414.44	214.44	17.87%	31.20%
Retail Transmission Rate - Network Service Rate	78.8	1.6002	126.07	77.6	1.6002	124.23	-1.84	-1.46%	2.74%
Retail Transmission Rate - Line and Transformation Connection Service Rate	78.8	1.3824	108.91	77.6	1.2859	99.83	-9.08	-8.34%	2.20%
Total: Retail Transmission			234.98			224.06	-10.92	-4.65%	4.94%
Sub-Total: Delivery (Distribution and Retail Transmission)			1434.98			1638.50	203.52	14.18%	36.14%
Wholesale Market Service Rate	27563	0.0052	143.33	27160	0.0052	141.23	-2.09	-1.46%	3.12%
Rural Rate Protection Charge	27563	0.0010	27.56	27160	0.0013	35.31	7.75	28.10%	0.78%
Special Purpose Charge	27563	0.0004	10.27	27160	0.0004	10.12	-0.15	-1.46%	0.22%
Standard Supply Service - Administrative Charge (if applicable)	428	0.25	107.00	428	0.25	107.00	0.00	0.00%	2.36%
Sub-Total: Regulatory			288.15			293.66	5.50	1.91%	6.48%
Debt Retirement Charge	25000	0.0020	50.00	25000	0.0020	50.00	0.00	0.00%	1.10%
Total Bill Before Taxes			3832.83			4011.66	178.83	4.67%	88.50%
GST / HST		13%	498.27		13%	521.52	23.25	4.67%	11.50%
Total Bill			\$ 4,331.09			\$ 4,533.17	\$ 202.08	4.67%	100.00%