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October 14, 2010

BY EMAIL & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2009-0278
Algoma Power Inc. – 2010 - 2011 Cost of Service Application
Energy Probe – Rural and Remote Rate Protection and Adjustment Mechanism

Pursuant to Procedural Order No. 3, issued by the Board on September 22, 2010, these are the Submissions of Energy Probe Research Foundation (Energy Probe) in respect of the appropriate method of calculating the Rural and Remote Protection and Adjustment Mechanism in the EB-2009-0278 proceeding.

Energy Probe has reviewed the Board Staff Report and the Board Staff Submission on the Rural and Remote Protection and Adjustment Mechanism, both filed on October 1, 2010. Board staff is to be commended for its clear presentation of several options for the "Calculation".

It is the submission of Energy Probe that the Board should adopt the calculation described in the Board Staff Report as Option 2. That is, both Residential and General Service <50 kW classes are to be included in the calculation with the increase based upon a simple average of the two, each licensed distributor is given an equal weighting regardless of the number of tariffs for each comparator class, only fixed and variable distribution charges should be included as delivery costs and the volumetric assumptions should be 800kWh for Residential and 2000kWh for General Service <50 kW. This is described in the last paragraph of the Board Staff Report under the title of Conclusion.

There is however, one recommendation by Board staff that Energy Probe does not support. Energy Probe disagrees with the Board staff's recommendation that the cumulative increase for the years since the last Adjustment be factored into the Adjustment Mechanism.

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It is the Submission of Energy Probe that an appropriate application of Ontario Regulation 442/01, Section 4 (3.2) would dictate that the Adjustment be based on rates approved for other distributors for the same rate year.

Should you require additional information, please do not hesitate to contact me.

All of which is respectfully submitted.

Yours truly,

A handwritten signature in black ink, appearing to read "David S. MacIntosh", with a long horizontal flourish extending to the right.

David S. MacIntosh
Case Manager

cc: Douglas Bradbury, Algoma Power (By email)
Andrew Taylor, Energy Law (By email)
Peter Faye, Counsel to Energy Probe (By email)
Intervenors of Record (By email)