



November 22, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700, P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Algoma Power Inc., 2010 and 2011 Electricity Distribution Rate Application
Draft Rate Order
Board File No.: EB-2009-0278**

Algoma Power Inc. hereby submits the Draft Rate Order pursuant to the Board's Decision and Order in the matter of the above captioned electricity distribution rate application. This Draft Rate Order has coincidentally been filed through the Board's RESS system.

We enclose two paper copies and a CD with the Draft Rate Order in searchable PDF format. Accompanying the Draft Rate Order is a number of Excel files which have been referenced in the documentation.

Please do not hesitate to contact me if you require further information.

Yours truly,

Original Signed By

Douglas Bradbury
Director Regulatory Affairs

Enclosures

ONTARIO ENERGY BOARD

1
2 **IN THE MATTER OF** the *Ontario Energy Board Act, 1998, C.*
3 *S.O. 1998, c.15 (Sched. B);*

4
5 **AND IN THE MATTER OF** an Application by Algoma Power
6 Inc. for an Order or Orders pursuant to Section 78 of the
7 *Ontario Energy Board Act, 1998* approving or fixing just and
8 reasonable rates and other service charges for the distribution
9 of electricity.

10
11 **DRAFT RATE ORDER**

12
13 **BACKGROUND**

14
15 Algoma Power Inc. ("API") filed a cost of service application with the Ontario Energy Board (the
16 "Board") on June 1, 2010, and amended on June 7, 2010, under section 78 of the Ontario
17 Energy Board Act, 1998, S.O. 1998, c.15 (Schedule B), seeking approval for changes to the
18 rates for 2010 and 2011 that API charges for electricity distribution, to be effective July 1, 2010
19 and January 1, 2011 respectively.

20
21 The Board assigned the application file number EB-2009-0278 and issued a Notice of
22 Application and Hearing dated June 24, 2010. The Board approved intervention and cost
23 eligibility requests from four parties: the Energy Probe Research Foundation ("Energy Probe"),
24 the School Energy Coalition ("SEC"), the Vulnerable Energy Consumers Coalition ("VECC") and
25 Garden River First Nation. The Board approved the intervention requests of the Algoma
26 Coalition and Great Lakes Power Transmission LP. The Board received three letters of
27 comment.

28
29 Procedural Order No.1, dated July 20, 2010, provided for written interrogatories and the
30 convening of a Technical Conference and a Settlement Conference which were respectively

1 held on August 24, 2010 and August 25, 2010. API filed a Settlement Proposal on September
2 10, 2010.

3
4 Pursuant to Procedural Order No. 2, the Board heard the Settlement Proposal on September
5 16, 2010. The Settlement Proposal indicated that the parties to the Settlement agreed on all but
6 three issues. The three unresolved issues were:

- 7
- 8 A. What is the appropriate method of calculating the average rate adjustments of other
9 distributors in order to calculate the rate increase for the customers of API, and the
10 remaining amount that is payable under RRRP? (“RRRP Adjustment”);
 - 11 B. Should API’s proposal to recover amounts in Account 1572 Extraordinary Event Costs
12 be approved? (“Extraordinary Event Costs”) and;
 - 13 C. Should API’s proposal to establish a new IFRS Deferral Account be approved? (“IFRS
14 Deferral Account”).
- 15

16 At the September 16, 2010 oral hearing of the Settlement Proposal, Board staff indicated its
17 concern with the legal basis of the proposal to reclassify street lighting customers from street
18 lighting to residential, which would then make street lighting eligible for Rural and Remote Rate
19 Protection (“RRRP”). Board staff, VECC, SEC, Energy Probe and API made submissions on the
20 matter. The Board found that O. Reg. 442/01 and O. Reg. 445/07 do not include street lighting
21 customers as a customer class eligible for RRRP. Accordingly, the Board did not accept the
22 Settlement Proposal dated September 10, 2010. The Board also questioned the provision to
23 declare API’s proposed rates, to be effective December 1, 2010, interim as of December 31,
24 2011.

25
26 Parties to the Settlement Proposal agreed to file a Revised Settlement Proposal which would
27 exclude the street lighting proposal. The parties also agreed with a provision that API’s rates be
28 made interim on December 31, 2011 would be removed in a Revised Settlement Proposal with
29 agreement of the parties that there would be no objection should API make such an application
30 in the future to the Board.

1 Procedural Order No. 3, dated September 22, 2010, set out the procedural steps for the three
2 unresolved issues. With respect to the RRRP Adjustment issue, Board staff was directed to
3 prepare and file a report (the "RRRP Report") by September 30, 2010 on several options that
4 could be considered to determine the appropriate method of calculating the average rate
5 adjustments of other distributors. Board staff filed the RRRP Report and written submission on
6 the matter on October 1, 2010. API and the intervenors filed their submissions on October 14,
7 2010. With respect to the IFRS Deferral Account issue, intervenors and Board staff filed their
8 submissions on October 8, 2010 and October 7, 2010 respectively. API filed its reply on October
9 14, 2010. With respect to the Extraordinary Events Costs issue, the Board heard any further
10 evidence and testimony on the issue at the same oral hearing scheduled for the review of the
11 Revised Settlement Proposal, being September 29, 2010.

12
13 At the oral hearing held on September 29, 2010 the Board accepted the Revised Settlement
14 Proposal and the further examination of the Extraordinary Events Costs issue was completed.

15
16 The Board adopted all of Board staff's recommended changes for the RRRP mechanism with
17 the exception of the time period to be used in calculating the rate changes. The Board ordered
18 that the comparator year for rate changes be 2009. The RRRP adjustment factor to be applied
19 to API's Residential R-1 and R-2 rates to establish the rates effective December 1, 2010 is
20 2.5%. A detailed calculation is attached as Appendix B to the Board's Decision and Order dated
21 November 11, 2010.

22
23 In the matter of Account 1572 Extraordinary Event Costs, the Board disallowed the claimed
24 costs.

25
26 With respect to API's request to establish a new IFRS Deferral Account, the Board did not
27 approve the request.

28
29 On November 11, 2010 the Board issued its Decision and Order in the matter of API's Electricity
30 Distribution rate Application, EB-2010-0278. This is API's draft Rate Order prepared in
31 compliance with the Decision and Order. The Board's expectations that were outlined in its
32 Decision and Order were as follows:

1 “In filing its draft Rate Order, the Board expects Algoma Power to file detailed supporting
2 material, including all relevant calculations showing the impact of this Decision on Algoma
3 Power’s revenue requirement, the allocation of the approved revenue requirement to the
4 customer classes, the calculation of the RRRP adjustment and the determination of the final
5 rates. Supporting documentation shall include, but not be limited to, a completed version of the
6 Revenue Requirement Work Form excel spreadsheet, which can be found on the Board’s
7 website. Algoma Power should also show detailed calculations of the revised retail transmission
8 service rates and variance account rate riders reflecting this Decision and the Settlement
9 Proposal accepted by the Board.”

10

11

1 **IMPACT OF DECISION**

2

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Impact on Revenue Requirement – Application Vs. Decision

Key Rate Making Components

	Application (2011)	Decision
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	\$11,411,951

4

5

Impact on Cost Allocation – Application Vs. Decision

Customer Class	Application (2011)	Decision
Residential – R1	113.9%	114.1%
Residential – R2	65.5%	59.8%
Seasonal	100%	115.0%
Street Lighting	59.7%	43.0%

6

7

Impact on Rate Design – Application Vs. Decision

Customer Class	Application (2011)		Decision	
	MSC	Volumetric	MSC	Volumetric
Residential – R1	21.96	0.0309	20.92	0.0294
Residential – R2	641.48	2.6417	596.12	2.5728
Seasonal	24.00	0.0852	26.07	0.1001
Street Lighting	1.08	0.2208	0.96	0.1537

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2

Impact on Deferral and Variance Accounts – Application Vs. Decision

Account	Application (2011)	Decision
WMSC – Account 1580	(448,477)	(448,477)
Network – Account 1584	(124,505)	(124,505)
Connection – Account 1586	(425,762)	(425,762)
Power – Account 1588 excluding GA	3,125,187	3,125,187
Power – Account 1588 GA	<u>(66,872)</u>	<u>(66,872)</u>
Subtotal RSVA	2,059,571	2,059,571
Other regulatory Assets – Account 1508	6,619	6,619
Misc. Debits – Account 1525 (Section 71)	<u>412,726</u>	<u> </u>
Subtotal Non-RSVA	419,346	6,619
Total to be Recovered	2,478,917	2,066,476

3
4

5 The impact of the Decision and Order on API's 2011 revenue requirement is a reduction of
 6 \$253,323. The Revised Settlement Agreement accepted by the Board in its Decision and Order
 7 reduces API's administration and general costs by \$250,000 in 2011. This reduction in
 8 operating expenses is passed through as a reduction to the working capital allowance, i.e. 15%
 9 of \$250,000. The reduction in capital reflects further as a reduction in the tax expense.
 10 Detailed accounting of this change is provided in the Revenue Requirement Workform provided
 11 in Appendix E of this Draft Rate Order.

12

13 The revenue requirement and rate adjustments arising from this Decision and Order will allow
 14 API to make the necessary investments to serve customers, maintain the integrity of the
 15 distribution system, to maintain and improve the quality of its service and to meet all compliance
 16 requirements during 2010 and 2011. While API has filed budgets for the Test Years that are
 17 illustrative of how it would achieve these goals, as is always the case with forward test year cost
 18 of service cases, the actual decisions as to how to allocate resources, and in what areas to

1 spend the agreed upon capital and operations, are ones that must be made by the utility during
2 the course of the year, subject to the Board's normal review in subsequent proceedings.

3
4 **CAPITAL EXPENDITURES**

5
6 In the Revised Settlement Agreement accepted by the Board, the parties agreed with the 2010
7 and 2011 capital expenditures for the purpose of calculating 2011 revenue requirement to be
8 \$11,371,113 and \$10,869,825, respectively. API has maintained these agreed amounts in the
9 determination of its 2011 revenue requirement.

10
11 **WORKING CAPITAL ALLOWANCE (WCA)**

12
13 API had used the standard methodology for calculating the WCA as 15% of the sum of
14 controllable expenses and the cost of power. In the Revised Settlement Agreement the parties
15 agreed to a reduction in OM&A costs of \$250,000. This reduction has the corresponding effect
16 of reducing the WCA by 15% of the \$250,000. In the Revised Settlement Agreement accepted
17 by the Board, the parties agreed that the 2011 WCA for the purpose of calculating 2011 revenue
18 requirement is \$4,112,638, down from the applied for amount of \$4,150,138. API has used the
19 agreed amount of \$4,112,638 in the determination of its 2011 revenue requirement.

20
21 **RATE BASE**

22
23 The Revised Settlement Agreement accepted by the Board established 2011 Rate base for the
24 purpose of calculating 2011 revenue requirement to be \$76,827,242. API has maintained this
25 agreed amount in the determination of its 2011 revenue requirement.

26
27 **CUSTOMER AND LOAD FORECAST**

28
29 In the Revised Settlement Agreement accepted by the Board, the parties accepted the API's
30 proposed customer and load forecast as presented in its Application. API has maintained its
31 customer and load forecast for the purposes of calculating electricity distribution rates effective
32 December 1, 2010 and presented in this Draft Rate Order.

1
2 **OPERATIONS, MAINTENANCE AND ADMINISTRATIVE COSTS (OM&A COSTS)**
3

4 In the Revised Settlement Agreement accepted by the Board, the parties agreed to a reduction
5 of \$250,000 in the Administration and General portion of the 2011 Test year OM&A costs
6 yielding and agreed to amount of \$9,420,207. The parties also agreed that the Test year OM&A
7 costs had been adjusted to account for an estimated \$35,000 in HST related savings. API has
8 maintained this agreed to amount of \$9,420,207 in the determination of the electricity
9 distribution rates effective December 1, 2010 and presented in this Draft Rate Order.
10

11 **INCOME TAXES**
12

13 In the Application, API had included income taxes in the amount of \$500,433. Arising from the
14 reduction in the WCA, discussed previously, income tax has been reduced to \$499,851.
15

16 **CAPITAL STRUCTURE**
17

18 In the Revised Settlement Agreement accepted by the Board, the parties agreed to the capital
19 structure in the Application; 40% equity, 56% long term debt and 4% short term debt.
20

21 **COST OF CAPITAL**
22

23 In the Revised Settlement Agreement accepted by the Board, the parties agreed to a cost
24 capital proposed in the Application being 5.87% for long term debt, 2.07% for short term debt
25 and 9.85% for return on equity.
26

27 **COST ALLOCATION AND REVENUE TO COST RATIOS**
28

29 In the Revised Settlement Agreement accepted by the Board, the parties accepted the Cost
30 Allocation proposed in the Application. However, the parties agreed that;

- 31 • Within the rate design the fixed monthly charge for the Residential – R2 class of
32 customers be held at the current Board approved amount of \$596.12; and,

- 1 • Within the rate design the revenue to cost ratio for the Seasonal class of customers be
2 moved to the upper boundary of the Board's Guideline for residential Customers; being
3 115%.

4
5 The resultant class specific revenue to cost ratios used in the rate are shown in the table below.

6

Customer Class	2010 Cost Allocation Study Revenue to Cost Ratios	Proposed Revenue to Cost Ratio
Residential – R1	116.71%	114.1%
Residential – R2	39.52%	59.8%
Seasonal	149.94%	115.0%
Street Lighting	15.92%	43.0%

7

8 The proposed revenue to cost ratios specified in the table shown above have been used in the
9 rate design provided with the Draft Rate Order.

10
11 **RRRP ADJUSTMENT FACTOR**

12
13 In accordance with the Board's Decision and Order, the RRRP adjustment factor to be applied
14 to API's Residential R-1 and R-2 rates to establish the rates effective December 1, 2010 is
15 2.5%.

16
17 API acknowledges that the Board intends to calculate an RRRP adjustment factor annually for
18 API, with rates and the RRRP amount for the rate year affected accordingly. Every year the
19 Board will communicate the RRRP adjustment factor to API to ensure that it is reflected in API's
20 rates application. Should API not file either an IRM or a cost of service application, the Board
21 will on its own motion initiate a proceeding in this regard.

22
23 **RATE DESIGN**

24
25 A detailed electricity distribution rate design has been provided in Appendix B to the Draft Rate
26 Order. The rate design is premised on the base revenue requirement of \$19,828,731 as agreed
27 to in the Revised Settlement Agreement accepted by the Board. The customer and load
28 forecast for the 2011 Test Year is that accepted in the Revised Settlement Agreement and

1 described previously. The class specific revenue requirement shares are those derived from
2 the class specific revenue to cost ratios accepted in the Revised Settlement Agreement.

3
4 As stipulated in the Revised Settlement Agreement, the revenue to cost ratio has been pegged
5 at 115%. The revenue to cost ratios for the Residential – R2 and Street Lighting customer
6 classes have been adjusted from the current level by a factor of 50% of the gap to lower
7 boundary of the Board's Guideline. The Residential – R2 customer class is the beneficiary of
8 the respective changes in cost allocation to the specific customer classes.

9
10 A live version of the Excel Model used to design the electricity distribution rates accompanies
11 this Draft Rate Order.

12 13 **MICROFIT GENERATOR SERVICE CLASSIFICATION AND RATE**

14
15 Ontario's Feed-In Tariff (FIT) program for renewable energy generation was established in the
16 Green Energy and Green Economy Act, 2009. The program includes a stream called microFIT,
17 which is designed to encourage homeowners, businesses and others to generate renewable
18 energy with projects of 10 kilowatts (kW) or less.

19
20 In its EB-2009-0326 Decision and Order, issued February 23, 2010, the Board approved the
21 following service classification definition, which is to be used by all licensed distributors:

22
23 microFIT Generator:

24 This classification applies to an electricity generation facility contracted under the
25 Ontario Power Authority's microFIT program and connected to the distributor's
26 distribution system.

27
28 On March 17, 2010, the Board approved a province-wide fixed service charge of \$5.25 per
29 month for all electricity distributors effective September 21, 2009.

30
31 The microFIT Generator service classification and the service charge are included in the
32 Proposed Tariff of Rates and Charges provided in Appendix A of this Draft Rate Order.

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SEASONAL RATE MITIGATION PLAN

In the Revised Settlement Agreement accepted by the Board, the parties agreed with the proposed Seasonal Class rate mitigation plan proposed by API which will allow a Deferral Account Rate Rider effective until November 30, 2015 of \$0.0307 per kWh¹.

RETAIL TRANSMISSION SERVICE RATES (“RTSR”)

In the Application, API had undertaken a review of its RTSR in a manner consistent with the Board’s Guideline: Electricity Retail Service Rates, Guideline G-2008-0001, October 22, 2008. API had trended 2008 and 2009 historical data for the wholesale network and connection costs against the corresponding RTSR revenues. In addition, API has projected the 2010 Test Year costs based on UTR effective January 1, 2010 and RTSR revenues based on the current RTSR and examined the resulting variance projection. The 2010 Test Year RTSR is being proposed to minimize the forecasted variant between costs and revenues.

In the Board Staff Interrogatory #49, Board Staff noted an inconsistency between the description and determination of the RTSR for connection and network charges. API acknowledged to inconsistency and corrected the rate determination in its response to that interrogatory. The details of the review of wholesale network and connection charges with RTSR revenues is provided in Exhibit 8, Tab 3, Schedule 1, Table 1. The resultant customer class specific RTSRs are provided in the API response to Board Staff Interrogatory #49 and are shown below.

¹ API Application EB-2009-0278, Exhibit 8 Tab 1 Schedule 1 page 1

**Amended as Per Board Staff Interrogatory No. 49
 Proposed Schedule of Retail Transmission Service Rates**

Residential – R1	Metric	Existing	2010 Proposed
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
Residential – R2			
Regular			
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
Interval Metered greater than 1,000 kW			
Retail Transmission Rate - Network Service Rate	\$/kW	2.2508	2.2508
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9763	1.8384
Seasonal			
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
Street Lighting			
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

1
 2
 3 API has included these charges in its proposed Tariff of Rates and Charges found in Appendix
 4 A of this Draft Rate Order.

5
 6 **OTHER CHARGES**

7
 8 The Specific Service Charges, Allowances and Retail Service Charges are those proposed in
 9 the Application² and are specified in the Proposed Tariff of Rates and Charges provided in
 10 Appendix A of this Draft Rate Order.

11
 12 **DEFERRAL AND VARIANCE ACCOUNTS AND EXTRAORDINARY EVENT COSTS**

13
 14 In the Application, API sought to recover through a Deferral Account Rate Rider certain
 15 Extraordinary Event Costs as part of acquiring the distribution assets from Great Lakes Power
 16 Limited. The Application claimed \$410,695 which was later during oral testimony reduced to
 17 \$397,677. The amount of \$410,695 plus interest totaling \$412,759 had been included in the
 18 API Application³.

19

² API Application EB-2009-0278, Exhibit 3 Tab 3 Schedule 4 page 1

³ API Application EB-2009-0278, Exhibit 9 Tab 2 Schedule 2

1 In its Decision and Order, the Board disallowed this cost. Subsequently, API has removed this
2 amount from its determination of Regulatory Asset Accounts Requested. In the Revised
3 Settlement Agreement accepted by the Board, the parties accept the proposed disposition of
4 the RSVA – Wholesale Market Service Charge (Account 1580), the RSVA – Retail
5 Transmission Network Charge (Account 1584), the RSVA – Retail Transmission Connection
6 Charge (Account 1586), the RSVA – Power excluding Global Adjustment (Account 1588) and
7 Other Regulatory Assets (Account 1508).

8
9 API has removed the Extraordinary Event Costs and all other accounts specified remain
10 unchanged. The revised model calculating the December 2009 Regulatory Assets and
11 accumulated interest is provided in Appendix D and the live Excel model accompanies this Draft
12 Rate Order.

13
14 **SMART METER ADDER**

15
16 In the Revised Settlement Agreement accepted by the Board, the parties agreed with the Smart
17 Meter Rate Adder proposed by API of \$1.00 per metered customer per month⁴.

18
19 **LOSS ADJUSTMENT FACTORS**

20
21 In the Revised Settlement Agreement accepted by the Board, the parties agreed with the Total
22 Loss Factor proposed by API⁵ being 1.0864 for secondary metered customers and 1.0755 for
23 primary metered customers.

24
25 **RURAL AND REMOTE RATE PROTECTION**

26
27 In the Revised Settlement Agreement accepted by the Board, the parties agreed with API's
28 determination of the Rural and Remote Rate Protection ("RRRP"), being \$11,411,951 for the
29 2011 rate year, i.e. January 1, 2011 through December 31, 2011. The derivation of the RRRP
30 is on the basis of the matters agreed to in the Revised Settlement Agreement and is detailed in

⁴ API Application EB-2009-0278, Exhibit 10 Tab 1 Schedule 1 page 2

⁵ API Application EB-2009-0278, Exhibit 5 Tab 5 Schedule 1

1 the Rate Design Model provided in Appendix B of which a Live Excel Model accompanies this
 2 Draft Rate Order.

3
 4 The RRRP for 2010 will be determined as the sum of eleven-twelfths of current Board approved
 5 RRRP plus one-twelfth of the proposed 2011 RRRP.

6
 7 **TARIFF OF RATES AND CHARGES**

8
 9 The proposed Tariff of Rates and Charges effective December 1, 2010 is provided in Appendix
 10 A to this Draft Rate Order.

11
 12 **BILL IMPACTS**

13
 14 A copy of the Bill Impacts is provided in Appendix C to this Draft Rate Order. Shown below are
 15 delivery charge and total bill impacts for selected typical customers.

16
 17 Residential – R1 and Residential R2 Class

18

		Selected Delivery Charge and Total Bill Impacts							
		Monthly Delivery Charge				Total Bill			
		Current	Per Decision	Change		Current	Per Decision	Change	
				\$	%			\$	%
Residential - R1	800 kWh	\$ 49.53	\$ 54.72	\$ 5.19	10.48%	\$ 129.88	\$ 134.87	\$ 4.99	3.84%
Residential - R1	2000 kWh	\$ 93.20	\$ 103.92	\$ 10.72	11.50%	\$ 302.41	\$ 312.32	\$ 9.91	3.28%

19
 20
 21 Seasonal Class

22 For the typical Seasonal class customer, the total bill impact is 30.86% or approximately \$24 per
 23 month. There are two equally contributing factors to the increase; the increase in revenue
 24 requirement; and, the plan to dispose of the Seasonal Mitigation Deferral Account arising from
 25 EB-2007-0744. The potential greater increase has been mitigated by reducing the current
 26 revenue to cost ratio for the class from 149.94% to 115%. Setting the cost to revenue ratio at
 27 115% was agreed to by the parties in the Revised Settlement Agreement.

28
 29 Street Lighting Class

1 On the basis of the Decision and Order, the total bill impact for a select customer in the Street
2 Lighting class is 84.5% or \$3,498.11 per month. This increase is a product of API's original rate
3 design. Had the Street Lighting class of customers been included within the RRRP funding, the
4 Street Lighting class' revenue to cost ratio would have been moved to the lower boundary in a
5 two year period. That proposal was rejected. Under API's current rate design the Street
6 Lighting class still moves from a current revenue to cost ratio of 15.92% to the lower boundary
7 of the Board's Guideline in two equal sets; an increase of 27% per year yielding a revenue to
8 cost ratio for the Street Lighting class to 43% for the 2011 rate year.

9
10 To mitigate the impacts on the Street Lighting customer class, API requests that the Board and
11 the Intervenor give consideration to a more gradual movement of the Street Lighting customer
12 class to the lower boundary of the Board's Guideline; 70%. API is proposing in this Draft Rate
13 Order that the transition from the current cost to revenue ratio to the lower boundary of the
14 Board's Guideline take place over a five year period (20% per year).

15
16 This change would have no effect on the distribution rates of other customer classes at API
17 since distribution rates the Residential R1 and R2 customer classes are set by the RRRP
18 Adjustment of 2.5% and the Seasonal customer class' revenue to cost ratio is set to 115% by
19 agreement in the Revised Settlement Agreement accepted by the Board.

20
21 Moving the revenue to cost ratio of the Street Lighting customer class by 20% in 2011 will set
22 the revenue to cost ratio at 26.7% and result in a revenue requirement recovery of \$83,239.
23 Under the current rate design before the Board, the revenue requirement recovery is \$133,872.
24 In order to maintain the rate design criteria of the other customer classes the shortfall of
25 \$50,633 will be applied to the RRRP funding increasing it to \$11,462,585 from \$11,411,951, an
26 increase of 0.4%.

27
28 This mitigation plan would result in reducing the total bill impact for this customer from 81.4% to
29 39.4% a savings of approximately \$1800 per month.

30
31 Appendix F of this Draft Rate Order is a draft Tariff of Rates and Charges prepared on the basis
32 of this Street Light customer class rate mitigation plan. Appendices G and H contain the revised

1 rate design model and bill impact models respectively. The associated Live Excel Models are
2 accompanying this Draft Rate Order.

3

4 **REVENUE REQUIREMENT WORKFORM**

5

6 A print copy of the completed Revenue Requirement Workform is provided in Appendix E to this
7 Draft Rate Order and a live Excel version accompanies this Draft Rate Order.

8

9 **FUTURE INCENTIVE MECHANISM**

10

11 API acknowledges that in the Revised Settlement Proposal under the issue *Application of a*
12 *Future Incentive Rate Mechanism* the parties agreed that for the purpose of obtaining a
13 complete settlement on all issues that API agreed to consult with intervenors prior to proposing
14 any future Incentive Rate Mechanism to set rates in non-rebasing years.

15

16

1 **LISTING OF APPENDICES**

2

Appendix	Content
A	Draft – Tariff of Rates and Charges per Board’s Decision and Order
B	Rate Design Model Accompanying Excel Model - <i>API_RateDesignModule_20101122.xlsx</i>
C	Bill Impact Sheet per Board’s Decision and Order Accompanying Excel Model – <i>API_BillImpactModel_20101122.xlsx</i>
D	Regulatory Asset recovery Worksheet Board’s Decision and Order Accompanying Excel Model – <i>Electricity_RegulatoryAsset_RecoveryWorksheet_20101122.xlsx</i>
E	Revenue Requirement Workform Accompanying Excel Model – <i>Rev_Reqt_Work_Form_for2011perDecision.xls</i>
F	Draft – Tariff of Rates and Charges – Consideration of Street Lighting Impacts
G	Rate Design Model – Consideration of Street Lighting Impacts Accompanying Excel Model - <i>API_RateDesignModule_20101122SL5.xlsx</i>
H	Bill Impact Sheet – Consideration of Street Lighting Impacts Accompanying Excel Model - <i>API_BillImpactModel_20101122SL5.xlsx</i>

3

4

All of Which is Respectfully Submitted

Appendix A

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date December 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2009-0278

RESIDENTIAL SERVICE CLASSIFICATION

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.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	20.92
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0294
Rate Rider for Deferral/Variance Account Disposition – effective until May31, 2013	\$/kWh	0.0044
Rate Rider for Deferral/Variance Account Disposition – effective until December 31, 2010	\$/kWh	(0.0041)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date December 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

**This schedule supersedes and replaces all previously
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EB-2009-0278

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.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	596.12
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kW	2.5728
Rate Rider for Deferral/Variance Account Disposition – effective until May 31, 2013	\$/kW	0.0044
Rate Rider for Deferral/Variance Account Disposition – effective until December 31, 2010	\$/kW	(0.2025)
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

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date December 1, 2010
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EB-2009-0278

SEASONAL CUSTOMERS SERVICE CLASSIFICATION

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.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	26.07
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.1001
Rate Rider for Deferral/Variance Account Disposition – effective until May 31, 2013	\$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition – effective until November 30, 2015	\$/kWh	0.0307
Rate Rider for Deferral/Variance Account Disposition – effective until December 31, 2010	\$/kWh	(0.0041)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2009-0278

STREET LIGHTING SERVICE CLASSIFICATION

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.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	0.96
Distribution Volumetric Rate	\$/kWh	0.1537
Rate Rider for Deferral/Variance Account Disposition – effective until May 31, 2013	\$/kWh	0.0047
Rate Rider for Deferral/Variance Account Disposition – effective until December 31, 2010	\$/kWh	(0.0016)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6002
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2859

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2009-0278

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component – effective September 21, 2009

Service Charge	\$	5.25
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Algoma Power Inc.
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EB-2009-0278

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)

SPECIFIC SERVICE CHARGES**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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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

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2009-0278

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

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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Retail Service Charges refer to services provided by Algoma Power Inc. to retailers or customers related to the supply of competitive electricity and are defined in the 2006 Electricity Distribution Rate Handbook.

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 Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer	1.0864
Total Loss Factor – Primary Metered Customer	1.0755

Appendix B



**Algoma Power Inc.
Distribution Rate Design Module
2010 Electricity Distribution Rate Application
EB-2009-0278**

**Draft Rate Order
November 22, 2010**

2007 Board Approved Tariff, EB-2007-0744				Proposed	
Delivery Charges				Delivery Charges	
Monthly Rates and Charges	Metric	Effective September 2007		Proposed July 1, 2010	Proposed December 1, 2010
Residential - R1					
Monthly Service Charge	\$	20.41		N/A	20.92
Distribution Volumetric Rate	\$/kWh	0.0287		N/A	0.0294
Residential - R2					
Monthly Service Charge	\$	596.12		N/A	596.12
Distribution Volumetric Rate	\$/kW	2.4549		N/A	2.5728
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	0.96
Distribution Volumetric Rate	\$/kWh	0.0496		N/A	0.1537
Rural and Remote Rate Protection					
	\$	8,861,800		N/A	11,411,951

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 \$ 0.1537

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		
Weather Normalized Kilowatt-hours								103,317,932	104,754,767	106,119,297
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	
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	
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>						<i>2,312,175</i>	<i>12,456,058</i>	<i>14,768,233</i>
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	Total				
Assets					
crev	Distribution Revenue (sale)	\$13,865,405	\$1,717,567	\$42,237	\$2,959,799
mi	Miscellaneous Revenue (mi)	\$217,490	\$88,133	\$5,003	\$32,431
	Total Revenue	\$14,082,895	\$1,805,700	\$47,240	\$2,992,230
	Expenses				
di	Distribution Costs (di)	\$2,835,059	\$1,290,517	\$87,388	\$499,501
cu	Customer Related Costs (cu)	\$1,394,715	\$91,659	\$11,235	\$196,199
ad	General and Administration (ad)	\$1,725,449	\$583,912	\$40,420	\$283,183
dep	Depreciation and Amortization (dep)	\$2,563,128	\$975,345	\$70,644	\$447,555
INPUT	PILs (INPUT)	\$456,888	\$209,628	\$11,219	\$73,304
INT	Interest	\$1,425,014	\$653,821	\$34,991	\$228,631
	Total Expenses	\$10,400,253	\$3,804,882	\$255,898	\$1,728,372
	Direct Allocation	\$0	\$0	\$0	\$0
NI	Allocated Net Income (NI)	\$1,666,040	\$764,408	\$40,910	\$267,302
	Revenue Requirement (includes NI)	\$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	\$61,697,989	\$27,444,170	\$1,706,422	\$10,709,276
gp	General Plant - Gross	\$6,406,067	\$2,939,214	\$157,302	\$1,027,799
accu dep	Accumulated Depreciation	(\$28,210,059)	(\$12,079,334)	(\$884,122)	(\$5,336,422)
co	Capital Contribution	\$0	\$0	\$0	\$0
	Total Net Plant	\$39,893,997	\$18,304,050	\$979,602	\$6,400,653
	Directly Allocated Net Fixed Assets	\$0	\$0	\$0	\$0
COP	Cost of Power (COP)	\$9,553,250	\$6,404,606	\$72,227	\$1,136,306
	OM&A Expenses	\$5,955,223	\$1,966,088	\$139,043	\$978,883
	Directly Allocated Expenses	\$0	\$0	\$0	\$0
	Subtotal	\$15,508,473	\$8,370,694	\$211,270	\$2,115,188
	Working Capital	\$2,326,271	\$1,255,604	\$31,691	\$317,278
	Total Rate Base	\$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
	Net Income on Allocated Assets	\$3,682,642	(\$1,999,182)	(\$208,657)	\$1,263,858
	Net Income on Direct Allocation Assets	\$0	\$0	\$0	\$0
	Net Income	\$3,682,642	(\$1,999,182)	(\$208,657)	\$1,263,858
	RATIOS ANALYSIS				
	REVENUE TO EXPENSES %	116.71%	39.52%	15.92%	149.94%
	EXISTING REVENUE MINUS ALLOCATED COSTS	\$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%

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
									2,312,175	14,973,873	17,286,047
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's Decision and Order EB-2009-0278											2.50%
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%	20.92	0.0294	2,018,030	3,121,764	5,139,794
Residential - R2	kW	48		151,952	47.9%	52.1%	611.02	2.5163	351,949	382,353	734,302
Hold Residential - R2 Fixed Charge at \$596.12					46.8%	53.2%	596.12	2.5728	343,365	390,937	734,302
									2,361,395	3,512,701	5,874,096
The Rural and Remote Rate Protection Amount Required for 2011											\$ 11,411,951

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
Street Lighting	kWh	1052	791,996		0.0%	100.0%	-	0.1690	-	133,872	133,872
Street Lighting	(Set MSC at \$0.96 per connection per month)				9.1%	90.9%	0.96	0.1537	12,119	121,753	133,872
									1,156,903	1,385,781	2,542,684

Appendix C



**Algoma Power Inc.
2011 Distribution Rate Impact Module
2010 Electricity Distribution Rate Application
EB-2009-0278**

**Draft Rate Order
November 22, 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	20.92
Smart Meter Rate Adder	\$	-	1.00
Distribution Volumetric Rate	\$/kWh	0.0287	0.0294
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	\$/kWh		0.0044
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
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
Distribution Volumetric Rate	\$/kW	2.4549	2.5728
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	\$/kW		0.0044
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kW	(0.2025)	(0.2025)
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
Distribution Volumetric Rate	\$/kWh	0.0700	0.1001
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	\$/kWh		0.0045
Rate Rider for Deferral/Variance Account Disposition - effective until November 30, 2015	\$/kWh		0.0307
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
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	\$	-	0.96
Smart Meter Rate Adder	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0496	0.1537
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	\$/kWh		0.0047
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kWh	(0.0016)	(0.0016)
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	0.0640	0.0640
Energy - Second Tier	\$/kWh	0.0740	0.0740
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	20.92
Smart Meter Rate Adder	\$	-	1.00
Distribution Volumetric Rate	\$/kWh	0.0287	0.0294
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013		-	0.0044
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
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	kW
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	0.0640	48	750	0.0640	48	0.00	0.00%	35.59%
Energy, Second Tier (kWh)	132	0.0740	9.77	119	0.0740	8.81	-0.95	-9.76%	6.54%
Sub-Total: Energy			57.77			56.81	-0.95	-1.65%	42.12%
Monthly Service Charge	1	20.41	20.41	1	20.92	20.92	0.51	2.50%	15.51%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.74%
Distribution Volumetric Rate	800	0.0287	22.96	800	0.0294	23.52	0.56	2.44%	17.44%
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	800	0.0000	0.00	800	0.0044	3.52	0.00	0.00%	2.61%
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	800	-0.0041	-3.28	800	-0.0041	-3.28	0.00	0.00%	-2.43%
Total: Distribution			40.09			45.68	5.59	13.94%	33.87%
Retail Transmission Rate - Network Service Rate	882	0.0057	5.03	869	0.0057	4.95	-0.07	-1.46%	3.67%
Retail Transmission Rate - Line and Transformation Connection Service Rate	882	0.0050	4.41	869	0.0047	4.08	-0.33	-7.37%	3.03%
Total: Retail Transmission			9.44			9.04	-0.40	-4.22%	6.70%
Sub-Total: Delivery (Distribution and Retail Transmission)			49.53			54.72	5.19	10.48%	40.57%
Wholesale Market Service Rate	882	0.0052	4.59	869	0.0052	4.52	-0.07	-1.46%	3.35%
Rural Rate Protection Charge	882	0.0010	0.88	869	0.0013	1.13	0.25	28.10%	0.84%
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%	0.19%
Sub-Total: Regulatory			6.05			6.22	0.18	2.91%	4.61%
Debt Retirement Charge	800	0.0020	1.60	800	0.0020	1.60	0.00	0.00%	1.19%
Total Bill Before Taxes			114.94			119.36	4.41	3.84%	88.50%
GST / HST		13%	14.94		13%	15.52	0.57	3.84%	11.50%
Total Bill			\$ 129.88			\$ 134.87	\$ 4.99	3.84%	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
Distribution Volumetric Rate	\$/kW	2.4549	2.5728
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013		-	0.0044
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kW	(0.2025)	(0.2025)
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		Volume	Rate		Impacts		
		\$	\$		\$	\$	%	% of Total Bill	
Energy, First Tier (kWh)	750	0.0640	48	750	0.0640	48	0.00	0.00%	0.42%
Energy, Second Tier (kWh)	98475	0.0740	7287.15	97026	0.0740	7179.92	-107.23	-1.47%	62.68%
Sub-Total: Energy			7335.15			7227.92	-107.23	-1.46%	63.10%
Monthly Service Charge	1	596.12	596.12	1	596.12	596.12	0.00	0.00%	5.20%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.01%
Distribution Volumetric Rate	225	2.4549	552.35	225	2.5728	578.88	26.53	4.80%	5.05%
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	225	0.0000	0.00	225	0.0044	0.99	0.99	0.00%	0.01%
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	225	-0.2025	-45.56	225	-0.2025	-45.56	0.00	0.00%	-0.40%
Total: Distribution			1102.91			1131.43	28.52	2.59%	9.88%
Retail Transmission Rate - Network Service Rate	248	2.1218	526.34	244	2.1218	518.65	-7.69	-1.46%	4.53%
Retail Transmission Rate - Line and Transformation Connection Service Rate	248	1.7882	443.59	244	1.6634	406.60	-36.98	-8.34%	3.55%
Total: Retail Transmission			969.92			925.25	-44.67	-4.61%	8.08%
Sub-Total: Delivery (Distribution and Retail Transmission)			2072.83			2056.68	-16.15	-0.78%	17.96%
Wholesale Market Service Rate	99225	0.0052	515.97	97776	0.0052	508.44	-7.53	-1.46%	4.44%
Rural Rate Protection Charge	99225	0.0010	99.23	97776	0.0013	127.11	27.88	28.10%	1.11%
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%	5.87%
Debt Retirement Charge	90000	0.0020	180.00	90000	0.0020	180.00	0.00	0.00%	1.57%
Total Bill Before Taxes			10240.39			10136.82	-103.57	-1.01%	88.50%
GST / HST		13%	1331.25		13%	1317.79	-13.46	-1.01%	11.50%
Total Bill			\$ 11,571.64			\$ 11,454.61	\$ (117.03)	-1.01%	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
Distribution Volumetric Rate	\$/kW	2.4549	2.5728
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013		-	0.0044
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kW	(0.2025)	(0.2025)
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		Impacts			
		\$	\$	\$	\$	\$	%	% of Total Bill	
Energy, First Tier (kWh)	750	0.0640	48	750	0.0640	48	0.00	0.00%	0.04%
Energy, Second Tier (kWh)	1212000	0.0740	89688.00	1194290	0.0740	88377.46	-1310.54	-1.46%	67.15%
Sub-Total: Energy			89736.00			88425.46	-1310.54	-1.46%	67.18%
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%
Distribution Volumetric Rate	2500	2.4549	6137.25	2500	2.5728	6432.00	294.75	4.80%	4.89%
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	2500	0.0000	0.00	2500	0.0044	11.00	11.00	0.00%	0.01%
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	2500	-0.2025	-506.25	2500	-0.2025	-506.25	0.00	0.00%	-0.38%
Total: Distribution			6227.12			6533.87	306.75	4.93%	4.96%
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%	4.64%
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%	3.79%
Total: Retail Transmission			11650.94			11106.27	-544.68	-4.67%	8.44%
Sub-Total: Delivery (Distribution and Retail Transmission)			17878.06			17640.14	-237.93	-1.33%	13.40%
Wholesale Market Service Rate	1212750	0.0052	6306.30	1195040	0.0052	6214.21	-92.09	-1.46%	4.72%
Rural Rate Protection Charge	1212750	0.0010	1212.75	1195040	0.0013	1553.55	340.80	28.10%	1.18%
Special Purpose Charge	1212750	0.0004	451.75	1195040	0.0004	445.15	-6.60	-1.46%	0.34%
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%	6.24%
Debt Retirement Charge	1100000	0.0020	2200.00	1100000	0.0020	2200.00	0.00	0.00%	1.67%
Total Bill Before Taxes			117785.11			116478.76	-1306.35	-1.11%	88.50%
GST / HST		13%	15312.06		13%	15142.24	-169.83	-1.11%	11.50%
Total Bill			\$ 133,097.18			\$ 131,621.00	\$ (1,476.18)	-1.11%	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
Distribution Volumetric Rate	\$/kWh	0.0700	0.1001
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	\$/kWh	-	0.0045
Rate Rider for Deferral/Variance Account Disposition - effective until November 30, 2015	\$/kWh	-	0.0307
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
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	kWh
RPP Tier One	750 kWh	Load Factor

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

Seasonal	Volume	Rate	Charge	Volume	Rate	Charge	Impacts		
		\$	\$		\$	\$	%	% of Total Bill	
Energy, First Tier (kWh)	316	0.0640	20.25	312	0.0640	19.95	-0.30	-1.46%	19.43%
Energy, Second Tier (kWh)	0	0.0740	0.00	0	0.0740	0.00	0.00	0.00%	0.00%
Sub-Total: Energy			20.25			19.95	-0.30	-1.46%	19.43%
Monthly Service Charge	1	24	24	1	26.07	26.07	2.07	8.63%	25.38%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.97%
Distribution Volumetric Rate	287	0.0700	20.09	287	0.1001	28.73	8.64	43.00%	27.97%
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	287	0.0000	0.00	287	0.0045	1.29	1.29	0.00%	1.26%
Rate Rider for Deferral/Variance Account Disposition - effective until November 30, 2015	287	0.0000	0.00	287	0.0307	8.81	8.81	0.00%	8.58%
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	287	-0.0041	-1.18	287	-0.0041	-1.18	0.00	0.00%	-1.15%
Total: Distribution			42.91			64.72	21.81	50.83%	63.02%
Retail Transmission Rate - Network Service Rate	316	0.0057	1.80	312	0.0057	1.78	-0.03	-1.46%	1.73%
Retail Transmission Rate - Line and Transformation Connection Service Rate	316	0.0050	1.58	312	0.0047	1.47	-0.12	-7.37%	1.43%
Total: Retail Transmission			3.39			3.24	-0.14	-4.22%	3.16%
Sub-Total: Delivery (Distribution and Retail Transmission)			46.30			67.97	21.67	46.80%	66.18%
Wholesale Market Service Rate	316	0.0052	1.65	312	0.0052	1.62	-0.02	-1.46%	1.58%
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%	2.33%
Debt Retirement Charge	287	0.0020	0.57	287	0.0020	0.57	0.00	0.00%	0.56%
Total Bill Before Taxes			69.45			90.89	21.44	30.86%	88.50%
GST / HST		13%	9.03		13%	11.82	2.79	30.86%	11.50%
Total Bill			\$ 78.48			\$ 102.70	\$ 24.22	30.86%	100.00%

Electricity Distribution Impacts Rates Effective December 1, 2010

Street Lighting	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Service Charge	\$	-	0.96
Smart Meter Rate Adder	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0496	0.1537
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	\$/kWh	-	0.0047
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kWh	(0.0016)	(0.0016)
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 - Administarive 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	Charge	Volume	Rate	Charge	Impacts		
		\$	\$		\$	\$	%	% of Total Bill	
Energy, First Tier (kWh)	750	0.0640	48.00	750	0.0640	48.00	0.00	0.00%	0.62%
Energy, Second Tier (kWh)	26813	0.0740	1984.13	26410	0.0740	1954.34	-29.79	-1.50%	25.06%
Sub-Total: Energy			2032.13			2002.34	-29.79	-1.47%	25.68%
Monthly Service Charge	428	0	0	428	0.96	410.88	410.88	0.00%	5.27%
Smart Meter Rate Adder	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	0.1537	3842.50	2602.50	209.88%	49.28%
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	25000	0.0000	0.00	25000	0.0047	117.50	117.50	0.00%	1.51%
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	25000	-0.0016	-40.00	25000	-0.0016	-40.00	0.00	0.00%	-0.51%
Total: Distribution			1200.00			4330.88	3130.88	260.91%	55.54%
Retail Transmission Rate - Network Service Rate	78.8	1.6002	126.07	77.6	1.6002	124.23	-1.84	-1.46%	1.59%
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%	1.28%
Total: Retail Transmission			234.98			224.06	-10.92	-4.65%	2.87%
Sub-Total: Delivery (Distribution and Retail Transmission)			1434.98			4554.94	3119.96	217.42%	58.41%
Wholesale Market Service Rate	27563	0.0052	143.33	27160	0.0052	141.23	-2.09	-1.46%	1.81%
Rural Rate Protection Charge	27563	0.0010	27.56	27160	0.0013	35.31	7.75	28.10%	0.45%
Special Purpose Charge	27563	0.0004	10.27	27160	0.0004	10.12	-0.15	-1.46%	0.13%
Standard Supply Service - Administarive Charge (if applicable)	428	0.25	107.00	428	0.25	107.00	0.00	0.00%	1.37%
Sub-Total: Regulatory			288.15			293.66	5.50	1.91%	3.77%
Debt Retirement Charge	25000	0.0020	50.00	25000	0.0020	50.00	0.00	0.00%	0.64%
Total Bill Before Taxes			3805.26			6900.94	3095.67	81.35%	88.50%
GST / HST		13%	494.68		13%	897.12	402.44	81.35%	11.50%
Total Bill			\$ 4,299.95			\$ 7,798.06	\$ 3,498.11	81.35%	100.00%

Appendix D

SHEET 1 - December 31, 2009 Regulatory Assets

NAME OF UTILITY	Algoma Power Inc.	LICENCE NUMBER	ED-2009-0072
NAME OF CONTACT	Mark Faught	DOCID NUMBER	EB-2009-0278
E-mail Address	mfaught@alp.on.ca	PHONE NUMBER	705-941-5602
VERSION NUMBER	v2.0	(extension)	
Date	1-Jun-10		

Enter appropriate data in cells which are highlighted in yellow only.
 Enter the total applied for Regulatory Asset amounts for each account in the appropriate cells below:
 (These amounts should correspond to your December 31, 2004 Regulatory Asset filings with the OEB.)

Account Description	Account Number	Principal Amounts as of Dec-31 2009	Interest to Dec31-09	Interest Jan1-10 to June30-10					Total Claim
RSVA - Wholesale Market Service Charge	1580	\$ (429,311)	\$ (17,985)	\$ (1,181)					\$ (448,477)
RSVA - One-time Wholesale Market Service	1582	\$ -							\$ -
RSVA - Retail Transmission Network Charge	1584	\$ (131,681)	\$ 7,538	\$ (362)					\$ (124,505)
RSVA - Retail Transmission Connection Charge	1586	\$ (388,944)	\$ (35,748)	\$ (1,070)					\$ (425,762)
RSVA - Power excluding Global Adjustment	1588	\$ 2,940,434	\$ 176,667	\$ 8,086					\$ 3,125,187
RSVA - Power Global Adjustment	1588	\$ (20,821)	\$ (45,994)	\$ (57)					\$ (66,872)
Sub-Totals		\$ 1,969,677	\$ 84,478	\$ 5,416	\$ -	\$ -	\$ -	\$ -	\$ 2,059,571
Other Regulatory Assets	1508	\$ 6,602	\$ -	\$ 18					\$ 6,620
Retail Cost Variance Account - Retail	1518								\$ -
Retail Cost Variance Account - STR	1548								\$ -
Misc. Deferred Debits (Section 71)	1525	\$ -	\$ -	\$ -					\$ -
Pre-Market Opening Energy Variances Total	1571								\$ -
Extra-Ordinary Event Losses	1572								\$ -
Deferred Rate Impact Amounts	1574	\$ -	\$ -	\$ -	\$ -				\$ -
Other Deferred Credits	2425								\$ -
Sub-Totals		\$ 6,602	\$ -	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ 6,620
Qualifying Transition Costs	1570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals per column		\$ 1,976,279	\$ 84,478	\$ 5,434	\$ -	\$ -	\$ -	\$ -	\$ 2,066,191

Enter the appropriate 2004 data in the cells below.
 Once the data in the yellow fields on Sheet 1 has been entered, the relevant allocations will appear on Sheet 2.
 Go to Sheets 3, 4 and 5 and enter the appropriate data in the yellow cells.

SHEET 1 - December 31, 2009 Regulatory Assets

NAME OF UTILITY Algoma Power Inc.
 NAME OF CONTACT Mark Faught
 E-mail Address mfaught@alp.on.ca
 VERSION NUMBER v2.0
 Date 1-Jun-10

LICENCE NUMBER
 DOCID NUMBER
 PHONE NUMBER
 (extension)

ED-2009-0072
EB-2009-0278
705-941-5602

2009 Data By Class	kW	kWhs	Cust. Num.'s	Dx Revenue	Cust. Num.'s
RESIDENTIAL - R1		103,761,012	7,997	\$ 5,054,329	7,997
SEASONAL		12,341,792	3,643	\$ 1,862,280	3,643
RESIDENTIAL - R2	0	69,931,763	48	\$ 891,879	48
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	\$ -	0
INTERMEDIATE USE	0	0	0	\$ -	0
LARGE USE	0	0	1		1
SMALL SCATTERED LOADS	0	0	0	\$ -	0
SENTINEL LIGHTS	0	0	0	\$ -	0
STREET LIGHTING		791,996	1,052	\$ 39,204	1,052
Totals	-	186,826,563	12,741	\$ 7,847,692	12,741

Allocators	kW	kWhs	Cust. Num.'s	Dx Revenue	Cust. #'s w/ Rebate Cheques	kWhs for Non TOU Customers
RESIDENTIAL - R1		55.5%	62.8%	64.4%	62.8%	55.78%
SEASONAL		6.6%	28.6%	23.7%	28.6%	6.63%
RESIDENTIAL - R2		37.4%	0.4%	11.4%	0.4%	37.59%
GENERAL SERVICE >50 KW TIME OF USE		0.0%	0.0%	0.0%	0.0%	
INTERMEDIATE USE		0.0%	0.0%	0.0%	0.0%	
LARGE USE		0.0%	0.0%	0.0%	0.0%	
SMALL SCATTERED LOADS		0.0%	0.0%	0.0%	0.0%	0.00%
SENTINEL LIGHTS		0.0%	0.0%	0.0%	0.0%	
STREET LIGHTING		0.4%	8.3%	0.5%	8.3%	
Totals	0%	100%	100%	100%	100%	100%

Appendix E



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

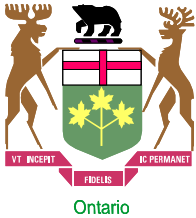
Ontario

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	\$9,820,207	(6)	(\$250,000)		\$9,570,207	
Cost of Power	\$17,847,379				\$17,847,379	
Working Capital Rate (%)	15.00%				15.00%	
2 Utility Income						
Operating Revenues:						
Distribution Revenue at Current Rates	\$17,338,622				\$17,338,622	
Distribution Revenue at Proposed Rates	\$20,082,054				\$19,828,731	
Other Revenue:						
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						
Operating Expenses:						
OM+A Expenses	\$9,670,207		(\$250,000)		\$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)	\$359,061				\$358,643	
Income taxes (grossed up)	\$500,433				\$499,851	
Capital Taxes	\$ -					
Federal tax (%)	16.50%				16.50%	
Provincial tax (%)	11.75%				11.75%	
Income Tax Credits	\$ -					
4 Capitalization/Cost of Capital						
Capital Structure:						
Long-term debt Capitalization Ratio (%)	56.0%				56.0%	
Short-term debt Capitalization Ratio (%)	4.0%	(2)			4.0%	(2)
Common Equity Capitalization Ratio (%)	40.0%				40.0%	
Preferred Shares Capitalization Ratio (%)						
Cost of Capital						
Long-term debt Cost Rate (%)	5.87%				5.87%	
Short-term debt Cost Rate (%)	2.07%				2.07%	
Common Equity Cost Rate (%)	9.85%				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

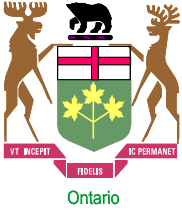
Line No.	Particulars		Rate Base		Per Board Decision
			Application	Adjustments	
1	Gross Fixed Assets (average)	(3)	\$124,202,053	\$ -	\$124,202,053
2	Accumulated Depreciation (average)	(3)	(\$51,487,449)	\$ -	(\$51,487,449)
3	Net Fixed Assets (average)	(3)	\$72,714,604	\$ -	\$72,714,604
4	Allowance for Working Capital	(1)	\$4,150,138	(\$37,500)	\$4,112,638
5	Total Rate Base		\$76,864,742	(\$37,500)	\$76,827,242

(1) Allowance for Working Capital - Derivation					
6	Controllable Expenses		\$9,820,207	(\$250,000)	\$9,570,207
7	Cost of Power		\$17,847,379	\$ -	\$17,847,379
8	Working Capital Base		\$27,667,586	(\$250,000)	\$27,417,586
9	Working Capital Rate %	(2)	15.00%		15.00%
10	Working Capital Allowance		\$4,150,138	(\$37,500)	\$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

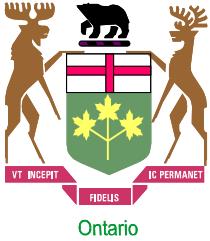
Rate Year: 2011

Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
Operating Revenues:				
1	Distribution Revenue (at Proposed Rates)	\$20,082,054	(\$253,323)	\$19,828,731
2	Other Revenue	(1) \$370,082	\$ -	\$370,082
3	Total Operating Revenues	<u>\$20,452,136</u>	<u>(\$253,323)</u>	<u>\$20,198,813</u>
Operating Expenses:				
4	OM+A Expenses	\$9,670,207	(\$250,000)	\$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	<u>\$14,332,891</u>	<u>(\$250,000)</u>	<u>\$14,082,891</u>
10	Deemed Interest Expense	<u>\$2,590,342</u>	<u>(\$1,264)</u>	<u>\$2,589,078</u>
11	Total Expenses (lines 4 to 10)	<u>\$16,923,233</u>	<u>(\$251,264)</u>	<u>\$16,671,969</u>
12	Utility income before income taxes	<u>\$3,528,903</u>	<u>(\$2,059)</u>	<u>\$3,526,844</u>
13	Income taxes (grossed-up)	<u>\$500,433</u>	<u>(\$583)</u>	<u>\$499,851</u>
14	Utility net income	<u>\$3,028,470</u>	<u>(\$1,477)</u>	<u>\$3,026,993</u>

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	<u>\$370,082</u>	<u>\$370,082</u>



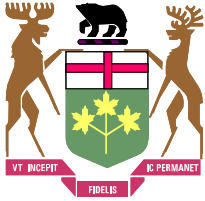
REVENUE REQUIREMENT WORK FORM

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	\$3,028,471	\$3,026,993
2	Adjustments required to arrive at taxable utility income	<u>(\$1,757,459)</u>	<u>(\$1,757,459)</u>
3	Taxable income	<u>\$1,271,012</u>	<u>\$1,269,534</u>
<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$359,061	\$358,643
5	Capital taxes	<u>\$ -</u>	<u>\$ -</u>
6	Total taxes	<u>\$359,061</u>	<u>\$358,643</u>
7	Gross-up of Income Taxes	<u>\$141,372</u>	<u>\$141,208</u>
8	Grossed-up Income Taxes	<u>\$500,433</u>	<u>\$499,851</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$500,433</u>	<u>\$499,851</u>
10	Other tax Credits	<u>\$ -</u>	<u>\$ -</u>
<u>Tax Rates</u>			
11	Federal tax (%)	16.50%	16.50%
12	Provincial tax (%)	<u>11.75%</u>	<u>11.75%</u>
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%	\$43,044,255	5.87%	\$2,526,698
2	Short-term Debt	4.00%	\$3,074,590	2.07%	\$63,644
3	Total Debt	60.00%	\$46,118,845	5.62%	\$2,590,342
Equity					
4	Common Equity	40.00%	\$30,745,897	9.85%	\$3,028,471
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$30,745,897	9.85%	\$3,028,471
7	Total	100%	\$76,864,742	7.31%	\$5,618,813
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		\$2,743,433		\$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	\$20,452,136	\$17,708,704	\$20,198,813
5	Operating Expenses	\$14,332,891	\$14,332,891	\$14,082,891	\$14,082,891
6	Deemed Interest Expense	\$2,590,342	\$2,590,342	\$2,589,078	\$2,589,078
	Total Cost and Expenses	\$16,923,233	\$16,923,233	\$16,671,969	\$16,671,969
7	Utility Income Before Income Taxes	\$785,471	\$3,528,903	\$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	(\$971,988)	\$1,771,444	(\$720,724)	\$1,769,385
10	Income Tax Rate	28.25%	28.25%	28.25%	28.25%
11	Income Tax on Taxable Income	(\$274,587)	\$500,433	(\$203,605)	\$499,851
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	\$1,060,058	\$3,028,470	\$1,240,339	\$3,026,993
14	Utility Rate Base	\$76,864,742	\$76,864,742	\$76,827,242	\$76,827,242
	Deemed Equity Portion of Rate Base	\$30,745,897	\$30,745,897	\$30,730,897	\$30,730,897
15	Income/Equity Rate Base (%)	3.45%	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	-6.40%	0.00%	-5.81%	0.00%
17	Indicated Rate of Return	4.75%	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	-2.56%	0.00%	-2.33%	0.00%
20	Target Return on Equity	\$3,028,471	\$3,028,471	\$3,026,993	\$3,026,993
21	Revenue Sufficiency/Deficiency	\$1,968,413	(\$1)	\$1,786,654	(\$0)
22	Gross Revenue Sufficiency/Deficiency	\$2,743,433 (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

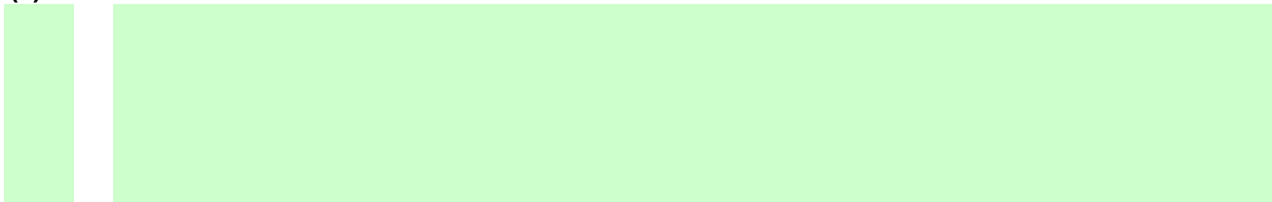
Revenue Requirement

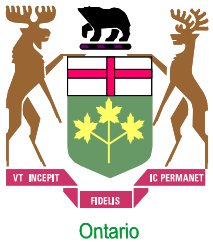
Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$9,670,207	\$9,420,207
2	Amortization/Depreciation	\$4,512,684	\$4,512,684
3	Property Taxes	\$150,000	\$150,000
4	Capital Taxes	\$ -	\$ -
5	Income Taxes (Grossed up)	\$500,433	\$499,851
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$2,590,342	\$2,589,078
	Return on Deemed Equity	\$3,028,471	\$3,026,993
8	Distribution Revenue Requirement before Revenues	\$20,452,137	\$20,198,813
9	Distribution revenue	\$20,082,054	\$19,828,731
10	Other revenue	\$370,082	\$370,082
11	Total revenue	\$20,452,136	\$20,198,813
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	(\$1) (1)	(\$0) (1)

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	\$ 62.92	\$ 6.11	10.8%		\$ 158.64	\$ 164.45	\$ 5.81	3.7%
GS < 50kW 2000 kWh/month	\$ 93.20	\$ 103.92	\$ 10.72	11.5%		\$ 302.41	\$ 312.32	\$ 9.91	3.3%

Notes:

(1) GS < 50 kW described above is a Residential R2 customer with 2000 kWh usage.

Appendix F

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date December 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2009-0278

RESIDENTIAL SERVICE CLASSIFICATION

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.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	20.92
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0294
Rate Rider for Deferral/Variance Account Disposition – effective until May31, 2013	\$/kWh	0.0044
Rate Rider for Deferral/Variance Account Disposition – effective until December 31, 2010	\$/kWh	(0.0041)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date December 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

**This schedule supersedes and replaces all previously
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EB-2009-0278

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.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	596.12
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kW	2.5728
Rate Rider for Deferral/Variance Account Disposition – effective until May 31, 2013	\$/kW	0.0044
Rate Rider for Deferral/Variance Account Disposition – effective until December 31, 2010	\$/kW	(0.2025)
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

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date December 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

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approved schedules of Rates, Charges and Loss Factors**

EB-2009-0278

SEASONAL CUSTOMERS SERVICE CLASSIFICATION

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.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	26.07
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.1001
Rate Rider for Deferral/Variance Account Disposition – effective until May 31, 2013	\$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition – effective until November 30, 2015	\$/kWh	0.0307
Rate Rider for Deferral/Variance Account Disposition – effective until December 31, 2010	\$/kWh	(0.0041)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date December 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

**This schedule supersedes and replaces all previously
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EB-2009-0278

STREET LIGHTING SERVICE CLASSIFICATION

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.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	0.96
Distribution Volumetric Rate	\$/kWh	0.0898
Rate Rider for Deferral/Variance Account Disposition – effective until May 31, 2013	\$/kWh	0.0047
Rate Rider for Deferral/Variance Account Disposition – effective until December 31, 2010	\$/kWh	(0.0016)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6002
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2859

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date December 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

**This schedule supersedes and replaces all previously
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EB-2009-0278

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component – effective September 21, 2009

Service Charge	\$	5.25
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Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date December 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

**This schedule supersedes and replaces all previously
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EB-2009-0278

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)

SPECIFIC SERVICE CHARGES**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

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

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date December 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0278

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

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Retail Service Charges refer to services provided by Algoma Power Inc. to retailers or customers related to the supply of competitive electricity and are defined in the 2006 Electricity Distribution Rate Handbook.

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 Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer	1.0864
Total Loss Factor – Primary Metered Customer	1.0755

Appendix G



**Algoma Power Inc.
Distribution Rate Design Module
2010 Electricity Distribution Rate Application
EB-2009-0278**

**Draft Rate Order
November 22, 2010**

2007 Board Approved Tariff, EB-2007-0744				Proposed	
Delivery Charges				Delivery Charges	
Monthly Rates and Charges	Metric	Effective September 2007		Proposed July 1, 2010	Proposed December 1, 2010
Residential - R1					
Monthly Service Charge	\$	20.41		N/A	20.92
Distribution Volumetric Rate	\$/kWh	0.0287		N/A	0.0294
Residential - R2					
Monthly Service Charge	\$	596.12		N/A	596.12
Distribution Volumetric Rate	\$/kW	2.4549		N/A	2.5728
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	0.96
Distribution Volumetric Rate	\$/kWh	0.0496		N/A	0.0898
Rural and Remote Rate Protection					
	\$	8,861,800		N/A	11,462,585

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 \$ 0.0898

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		
Weather Normalized Kilowatt-hours								103,317,932	104,754,767	106,119,297
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	
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	
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>						<i>2,312,175</i>	<i>12,456,058</i>	<i>14,768,233</i>
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	Total				
Assets					
crev	Distribution Revenue (sale)	\$13,865,405	\$1,717,567	\$42,237	\$2,959,799
mi	Miscellaneous Revenue (mi)	\$217,490	\$88,133	\$5,003	\$32,431
	Total Revenue	\$14,082,895	\$1,805,700	\$47,240	\$2,992,230
	Expenses				
di	Distribution Costs (di)	\$2,835,059	\$1,290,517	\$87,388	\$499,501
cu	Customer Related Costs (cu)	\$1,394,715	\$91,659	\$11,235	\$196,199
ad	General and Administration (ad)	\$1,725,449	\$583,912	\$40,420	\$283,183
dep	Depreciation and Amortization (dep)	\$2,563,128	\$975,345	\$70,644	\$447,555
INPUT	PILs (INPUT)	\$456,888	\$209,628	\$11,219	\$73,304
INT	Interest	\$1,425,014	\$653,821	\$34,991	\$228,631
	Total Expenses	\$10,400,253	\$3,804,882	\$255,898	\$1,728,372
	Direct Allocation	\$0	\$0	\$0	\$0
NI	Allocated Net Income (NI)	\$1,666,040	\$764,408	\$40,910	\$267,302
	Revenue Requirement (includes NI)	\$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	\$61,697,989	\$27,444,170	\$1,706,422	\$10,709,276
gp	General Plant - Gross	\$6,406,067	\$2,939,214	\$157,302	\$1,027,799
accu dep	Accumulated Depreciation	(\$28,210,059)	(\$12,079,334)	(\$884,122)	(\$5,336,422)
co	Capital Contribution	\$0	\$0	\$0	\$0
	Total Net Plant	\$39,893,997	\$18,304,050	\$979,602	\$6,400,653
	Directly Allocated Net Fixed Assets	\$0	\$0	\$0	\$0
COP	Cost of Power (COP)	\$9,553,250	\$6,404,606	\$72,227	\$1,136,306
	OM&A Expenses	\$5,955,223	\$1,966,088	\$139,043	\$978,883
	Directly Allocated Expenses	\$0	\$0	\$0	\$0
	Subtotal	\$15,508,473	\$8,370,694	\$211,270	\$2,115,188
	Working Capital	\$2,326,271	\$1,255,604	\$31,691	\$317,278
	Total Rate Base	\$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
	Net Income on Allocated Assets	\$3,682,642	(\$1,999,182)	(\$208,657)	\$1,263,858
	Net Income on Direct Allocation Assets	\$0	\$0	\$0	\$0
	Net Income	\$3,682,642	(\$1,999,182)	(\$208,657)	\$1,263,858
	RATIOS ANALYSIS				
	REVENUE TO EXPENSES %	116.71%	39.52%	15.92%	149.94%
	EXISTING REVENUE MINUS ALLOCATED COSTS	\$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%

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%	73.0%	14,477,614	1,835,865	114.5%	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%	0.4%	83,239	(228,097)	26.7%	15.92%	70-120%	26.7%
	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 25% 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%	20.48	0.1178	1,975,720	12,501,894	14,477,614
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%	-	0.1051	-	83,239	83,239
									3,373,093	16,455,638	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%	20.48	0.1178	1,975,720	12,501,894	14,477,614
Residential - R2	kW	48		151,952	12.0%	88.0%	596.12	16.5559	343,365	2,515,702	2,859,067
									2,319,085	15,017,596	17,336,681
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's Decision and Order EB-2009-0278										2.50%	
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%	20.92	0.0294	2,018,030	3,121,764	5,139,794
Residential - R2	kW	48		151,952	47.9%	52.1%	611.02	2.5163	351,949	382,353	734,302
Hold Residential - R2 Fixed Charge at \$596.12					46.8%	53.2%	596.12	2.5728	343,365	390,937	734,302
									2,361,395	3,512,701	5,874,096
The Rural and Remote Rate Protection Amount Required for 2011										\$ 11,462,585	

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
Street Lighting	kWh	1052	791,996		0.0%	100.0%	-	0.1051	-	83,239	83,239
Street Lighting	(Set MSC at \$0.96 per connection per month)				14.6%	85.4%	0.96	0.0898	12,119	71,120	83,239
									1,156,903	1,335,147	2,492,050

Appendix H



**Algoma Power Inc.
2011 Distribution Rate Impact Module
2010 Electricity Distribution Rate Application
EB-2009-0278**

**Draft Rate Order
November 22, 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	20.92
Smart Meter Rate Adder	\$	-	1.00
Distribution Volumetric Rate	\$/kWh	0.0287	0.0294
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	\$/kWh		0.0044
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
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
Distribution Volumetric Rate	\$/kW	2.4549	2.5728
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	\$/kW		0.0044
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kW	(0.2025)	(0.2025)
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
Distribution Volumetric Rate	\$/kWh	0.0700	0.1001
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	\$/kWh		0.0045
Rate Rider for Deferral/Variance Account Disposition - effective until November 30, 2015	\$/kWh		0.0307
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
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	\$	-	0.96
Smart Meter Rate Adder	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0496	0.0898
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	\$/kWh		0.0047
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kWh	(0.0016)	(0.0016)
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	0.0640	0.0640
Energy - Second Tier	\$/kWh	0.0740	0.0740
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	20.92
Smart Meter Rate Adder	\$	-	1.00
Distribution Volumetric Rate	\$/kWh	0.0287	0.0294
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013		-	0.0044
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
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	kW
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	0.0640	48	750	0.0640	48	0.00	0.00%	35.59%
Energy, Second Tier (kWh)	132	0.0740	9.77	119	0.0740	8.81	-0.95	-9.76%	6.54%
Sub-Total: Energy			57.77			56.81	-0.95	-1.65%	42.12%
Monthly Service Charge	1	20.41	20.41	1	20.92	20.92	0.51	2.50%	15.51%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.74%
Distribution Volumetric Rate	800	0.0287	22.96	800	0.0294	23.52	0.56	2.44%	17.44%
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	800	0.0000	0.00	800	0.0044	3.52	0.00	0.00%	2.61%
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	800	-0.0041	-3.28	800	-0.0041	-3.28	0.00	0.00%	-2.43%
Total: Distribution			40.09			45.68	5.59	13.94%	33.87%
Retail Transmission Rate - Network Service Rate	882	0.0057	5.03	869	0.0057	4.95	-0.07	-1.46%	3.67%
Retail Transmission Rate - Line and Transformation Connection Service Rate	882	0.0050	4.41	869	0.0047	4.08	-0.33	-7.37%	3.03%
Total: Retail Transmission			9.44			9.04	-0.40	-4.22%	6.70%
Sub-Total: Delivery (Distribution and Retail Transmission)			49.53			54.72	5.19	10.48%	40.57%
Wholesale Market Service Rate	882	0.0052	4.59	869	0.0052	4.52	-0.07	-1.46%	3.35%
Rural Rate Protection Charge	882	0.0010	0.88	869	0.0013	1.13	0.25	28.10%	0.84%
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%	0.19%
Sub-Total: Regulatory			6.05			6.22	0.18	2.91%	4.61%
Debt Retirement Charge	800	0.0020	1.60	800	0.0020	1.60	0.00	0.00%	1.19%
Total Bill Before Taxes			114.94			119.36	4.41	3.84%	88.50%
GST / HST		13%	14.94		13%	15.52	0.57	3.84%	11.50%
Total Bill			\$ 129.88			\$ 134.87	\$ 4.99	3.84%	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
Distribution Volumetric Rate	\$/kW	2.4549	2.5728
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013		-	0.0044
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kW	(0.2025)	(0.2025)
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		Volume	Rate		Impacts		
		\$	\$		\$	\$	%	% of Total Bill	
Energy, First Tier (kWh)	750	0.0640	48	750	0.0640	48	0.00	0.00%	0.42%
Energy, Second Tier (kWh)	98475	0.0740	7287.15	97026	0.0740	7179.92	-107.23	-1.47%	62.68%
Sub-Total: Energy			7335.15			7227.92	-107.23	-1.46%	63.10%
Monthly Service Charge	1	596.12	596.12	1	596.12	596.12	0.00	0.00%	5.20%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.01%
Distribution Volumetric Rate	225	2.4549	552.35	225	2.5728	578.88	26.53	4.80%	5.05%
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	225	0.0000	0.00	225	0.0044	0.99	0.99	0.00%	0.01%
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	225	-0.2025	-45.56	225	-0.2025	-45.56	0.00	0.00%	-0.40%
Total: Distribution			1102.91			1131.43	28.52	2.59%	9.88%
Retail Transmission Rate - Network Service Rate	248	2.1218	526.34	244	2.1218	518.65	-7.69	-1.46%	4.53%
Retail Transmission Rate - Line and Transformation Connection Service Rate	248	1.7882	443.59	244	1.6634	406.60	-36.98	-8.34%	3.55%
Total: Retail Transmission			969.92			925.25	-44.67	-4.61%	8.08%
Sub-Total: Delivery (Distribution and Retail Transmission)			2072.83			2056.68	-16.15	-0.78%	17.96%
Wholesale Market Service Rate	99225	0.0052	515.97	97776	0.0052	508.44	-7.53	-1.46%	4.44%
Rural Rate Protection Charge	99225	0.0010	99.23	97776	0.0013	127.11	27.88	28.10%	1.11%
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%	5.87%
Debt Retirement Charge	90000	0.0020	180.00	90000	0.0020	180.00	0.00	0.00%	1.57%
Total Bill Before Taxes			10240.39			10136.82	-103.57	-1.01%	88.50%
GST / HST		13%	1331.25		13%	1317.79	-13.46	-1.01%	11.50%
Total Bill			\$ 11,571.64			\$ 11,454.61	\$ (117.03)	-1.01%	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
Distribution Volumetric Rate	\$/kW	2.4549	2.5728
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013		-	0.0044
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kW	(0.2025)	(0.2025)
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		Impacts			
		\$	\$	\$	\$	\$	%	% of Total Bill	
Energy, First Tier (kWh)	750	0.0640	48	750	0.0640	48	0.00	0.00%	0.04%
Energy, Second Tier (kWh)	1212000	0.0740	89688.00	1194290	0.0740	88377.46	-1310.54	-1.46%	67.15%
Sub-Total: Energy			89736.00			88425.46	-1310.54	-1.46%	67.18%
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%
Distribution Volumetric Rate	2500	2.4549	6137.25	2500	2.5728	6432.00	294.75	4.80%	4.89%
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	2500	0.0000	0.00	2500	0.0044	11.00	11.00	0.00%	0.01%
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	2500	-0.2025	-506.25	2500	-0.2025	-506.25	0.00	0.00%	-0.38%
Total: Distribution			6227.12			6533.87	306.75	4.93%	4.96%
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%	4.64%
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%	3.79%
Total: Retail Transmission			11650.94			11106.27	-544.68	-4.67%	8.44%
Sub-Total: Delivery (Distribution and Retail Transmission)			17878.06			17640.14	-237.93	-1.33%	13.40%
Wholesale Market Service Rate	1212750	0.0052	6306.30	1195040	0.0052	6214.21	-92.09	-1.46%	4.72%
Rural Rate Protection Charge	1212750	0.0010	1212.75	1195040	0.0013	1553.55	340.80	28.10%	1.18%
Special Purpose Charge	1212750	0.0004	451.75	1195040	0.0004	445.15	-6.60	-1.46%	0.34%
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%	6.24%
Debt Retirement Charge	1100000	0.0020	2200.00	1100000	0.0020	2200.00	0.00	0.00%	1.67%
Total Bill Before Taxes			117785.11			116478.76	-1306.35	-1.11%	88.50%
GST / HST		13%	15312.06		13%	15142.24	-169.83	-1.11%	11.50%
Total Bill			\$ 133,097.18			\$ 131,621.00	\$ (1,476.18)	-1.11%	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
Distribution Volumetric Rate	\$/kWh	0.0700	0.1001
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	\$/kWh	-	0.0045
Rate Rider for Deferral/Variance Account Disposition - effective until November 30, 2015	\$/kWh	-	0.0307
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kWh	(0.0041)	(0.0041)
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	kWh
RPP Tier One	750 kWh	Load Factor

Loss Factor	1.0864
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Seasonal	Volume	Rate	Charge	Volume	Rate	Charge	Impacts		
		\$	\$		\$	\$	%	% of Total Bill	
Energy, First Tier (kWh)	316	0.0640	20.25	312	0.0640	19.95	-0.30	-1.46%	19.43%
Energy, Second Tier (kWh)	0	0.0740	0.00	0	0.0740	0.00	0.00	0.00%	0.00%
Sub-Total: Energy			20.25			19.95	-0.30	-1.46%	19.43%
Monthly Service Charge	1	24	24	1	26.07	26.07	2.07	8.63%	25.38%
Smart Meter Rate Adder	1	0.00	0.00	1	1.00	1.00	1.00	100.00%	0.97%
Distribution Volumetric Rate	287	0.0700	20.09	287	0.1001	28.73	8.64	43.00%	27.97%
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	287	0.0000	0.00	287	0.0045	1.29	1.29	0.00%	1.26%
Rate Rider for Deferral/Variance Account Disposition - effective until November 30, 2015	287	0.0000	0.00	287	0.0307	8.81	8.81	0.00%	8.58%
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	287	-0.0041	-1.18	287	-0.0041	-1.18	0.00	0.00%	-1.15%
Total: Distribution			42.91			64.72	21.81	50.83%	63.02%
Retail Transmission Rate - Network Service Rate	316	0.0057	1.80	312	0.0057	1.78	-0.03	-1.46%	1.73%
Retail Transmission Rate - Line and Transformation Connection Service Rate	316	0.0050	1.58	312	0.0047	1.47	-0.12	-7.37%	1.43%
Total: Retail Transmission			3.39			3.24	-0.14	-4.22%	3.16%
Sub-Total: Delivery (Distribution and Retail Transmission)			46.30			67.97	21.67	46.80%	66.18%
Wholesale Market Service Rate	316	0.0052	1.65	312	0.0052	1.62	-0.02	-1.46%	1.58%
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%	2.33%
Debt Retirement Charge	287	0.0020	0.57	287	0.0020	0.57	0.00	0.00%	0.56%
Total Bill Before Taxes			69.45			90.89	21.44	30.86%	88.50%
GST / HST		13%	9.03		13%	11.82	2.79	30.86%	11.50%
Total Bill			\$ 78.48			\$ 102.70	\$ 24.22	30.86%	100.00%

Electricity Distribution Impacts Rates Effective December 1, 2010

Street Lighting	Metric	Current Approved Rates	Proposed December 1, 2010
Monthly Service Charge	\$	-	0.96
Smart Meter Rate Adder	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0496	0.0898
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	\$/kWh	-	0.0047
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	\$/kWh	(0.0016)	(0.0016)
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 - Administarive 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 \$	Charge \$	Volume	Rate \$	Charge \$	Impacts		
							\$	%	% of Total Bill
Energy, First Tier (kWh)	750	0.0640	48.00	750	0.0640	48.00	0.00	0.00%	0.80%
Energy, Second Tier (kWh)	26813	0.0740	1984.13	26410	0.0740	1954.34	-29.79	-1.50%	32.61%
Sub-Total: Energy			2032.13			2002.34	-29.79	-1.47%	33.41%
Monthly Service Charge	428	0	0	428	0.96	410.88	410.88	0.00%	6.86%
Smart Meter Rate Adder	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	0.0898	2245.00	1005.00	81.05%	37.46%
Rate Rider for Deferral/Variance Account Disposition - effective until May 31, 2013	25000	0.0000	0.00	25000	0.0047	117.50	117.50	0.00%	1.96%
Rate Rider for Deferral/Variance Account Disposition - effective until December 31, 2010	25000	-0.0016	-40.00	25000	-0.0016	-40.00	0.00	0.00%	-0.67%
Total: Distribution			1200.00			2733.38	1533.38	127.78%	45.61%
Retail Transmission Rate - Network Service Rate	78.8	1.6002	126.07	77.6	1.6002	124.23	-1.84	-1.46%	2.07%
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%	1.67%
Total: Retail Transmission			234.98			224.06	-10.92	-4.65%	3.74%
Sub-Total: Delivery (Distribution and Retail Transmission)			1434.98			2957.44	1522.46	106.10%	49.35%
Wholesale Market Service Rate	27563	0.0052	143.33	27160	0.0052	141.23	-2.09	-1.46%	2.36%
Rural Rate Protection Charge	27563	0.0010	27.56	27160	0.0013	35.31	7.75	28.10%	0.59%
Special Purpose Charge	27563	0.0004	10.27	27160	0.0004	10.12	-0.15	-1.46%	0.17%
Standard Supply Service - Administarive Charge (if applicable)	428	0.25	107.00	428	0.25	107.00	0.00	0.00%	1.79%
Sub-Total: Regulatory			288.15			293.66	5.50	1.91%	4.90%
Debt Retirement Charge	25000	0.0020	50.00	25000	0.0020	50.00	0.00	0.00%	0.83%
Total Bill Before Taxes			3805.26			5303.44	1498.17	39.37%	88.50%
GST / HST		13%	494.68		13%	689.45	194.76	39.37%	11.50%
Total Bill			\$ 4,299.95			\$ 5,992.88	\$ 1,692.94	39.37%	100.00%