



EB-2009-0278

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Algoma
Power Inc. for an order approving just and reasonable
rates and other charges for the distribution of electricity to
be effective July 1, 2010 and January 1, 2011.

BEFORE: Ken Quesnelle
Presiding Member

Marika Hare
Member

RATE ORDER

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

The Board issued its Decision and Order on the application on November 11, 2010 and ordered the Applicant to file a draft rate order reflecting the Board's findings in the Decision and Order. The Board anticipated that the new rates would have an effective and implementation date of December 1, 2010.

The Applicant filed a draft rate order and supporting material on November 22, 2010. No comments were received from intervenors.

Rural and Remote Rate Protection (“RRRP”)

In its Decision and Order dated November 11, 2010, the Board determined that the RRRP adjustment factor, to establish the monthly fixed charge and the distribution volumetric rate for Algoma Power’s R-1 and R-2 rate classes, is 2.5%.

Algoma Power prepared its draft rate order on this basis and calculated the RRRP amount to be \$11,411,951.

The Board finds that the amount of RRRP of \$11,411,951 for the year 2011 (or \$950,996 per month) is an accurate determination based on the average adjustment in rates for other distributors and Algoma Power’s 2011 consumer revenues and revenue requirement, pursuant to the applicable regulations.

Consistent with the Revised Settlement Agreement, the Board also determines that the RRRP funding for 2010 will be the sum of 11/12th of the current annual level of RRRP funding and 1/12th of the 2011 funding, being \$950,996.

Introduction of MicroFIT Generator Service Classification and Rate

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

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

microFIT Generator:

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.

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

The microFIT Generator service classification and the service charge will be included on the Tariff of Rates and Charges.

The Board has reviewed the information provided in support of the draft Rate Order and the proposed Tariff of Rates and Charges. The Board is satisfied that the Tariff of Rates and Charges filed accurately reflects the Board's Decision and Order.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix "A" of this Rate Order is approved effective December 1, 2010 for electricity consumed or estimated to have been consumed on and after such date.
2. The Tariff of Rates and Charges set out in Appendix "A" of this Order supersedes all previous Tariff of Rates and Charges approved by the Ontario Energy Board for the Algoma Power Inc. service area, and is final in all respects.
3. Algoma Power Inc. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, December 13, 2010

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX "A"

To the Rate Order

Algoma Power Inc.

Board File No: EB-2009-0278

DATED: December 13, 2010

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**

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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 May 31, 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
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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

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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
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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

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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

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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.
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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

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

Service Charge	\$	5.25
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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**

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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

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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