



February 2, 2012

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: Motion to Vary
Decision and Order dated January 20, 2012
Board File: No. EB-2011-0152**

Algoma Power Inc. ("API") respectfully submits this Motion to Vary the Board's Decision and Order, dated January 20, 2012 in the matter of EB-2011-0152; an application by API for an order approving just and reasonable rates and other charges for electricity distribution. The ground for this motion is an error in fact, pursuant to section 44.01(a)(i) of the Board's Rules of Practice and Procedure. API also requests that the EB-2011-0152 proceeding be stayed until the deferral and variance account balances that are the subject of this motion are confirmed.

In its Decision and Order, the Board found that the Group 1 Deferral and Variance Accounts (exclusive of the Global Adjustment sub-account) balance of a credit of \$250,216 was to be disposed. The balance was declared final as at December 31, 2010, with carrying costs to December 31, 2011 (total credit of \$258,055, including interest). The Board also found that the 2010 actual year-end balance, with interest projected to December 31, 2011, for the Global Adjustment sub-account was a credit of \$816,657.

The account balances for the Account 1588, RSVA Power and Global Adjustment subaccount were determined by API through the findings of an audit by the Board's

Regulatory Audit and Accounting Group. The account balances were submitted as evidence by API in the EB-2011-0152 proceeding.

At year end, after the evidentiary portion of the EB-2011-0152 proceeding had ended, API was processing the various adjustments to the IESO Form 1598, which Board's Audit and Accounting Group who had relied to perform their audit, and was preparing the required journal entries to comply with the audit's findings. API discovered a significant error in the IESO Form 1598 adjustment presented in the audit. The essence of this error was that energy sales to retail customers were erroneously included as RPP sales when it should have been Non-RPP sales. The impact of this error will increase the cost of power variance and reduce the Global Adjustment subaccount variance. Correction of this error has resulted in changes in the Account 1588, RSVA Power and Global Adjustment subaccount as at December 31, 2010. This circumstance has been brought to the attention of the Board staff Rates Group and Regulatory Audit and Accounting Group

API is currently working with the Board's Regulatory Audit and Accounting Group to confirm the Account 1588, RSVA Power and Global Adjustment subaccount balance resulting from the changes to the IESO Form 1598 adjustments. We expect to have finalized balances on or before February 9, 2012.

All of which is respectfully submitted.

Yours truly,

Original Signed by

Douglas Bradbury
Director Regulatory Affairs