



EB-2011- 0152

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 electricity distribution to be effective
January 1, 2012.

BEFORE: Karen Taylor
Presiding Member

Paula Conboy
Member

RATE ORDER

Algoma Power Inc. (“Algoma”) filed an application with the Ontario Energy Board (the “Board”) on September 15, 2011 for permission to change its delivery charges beginning January 1, 2012. The Application was filed under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B), under the Board’s guidelines for 3rd Generation Incentive Regulation Mechanism which provides for a mechanistic and formulaic adjustment to distribution rates between cost of service applications. The proposed rates include the impact of the Rural or Remote Electricity Rate Protection (“RRRP”) funding, pursuant to Ontario Regulation 442/01. The Board assigned File Number EB-2011-0152 this application.

The Board issued its Decision and Order (the “Decision”) on the application on January 20, 2012. The Board ordered Algoma to file a draft Rate Order reflecting the Board’s findings and approved an effective date of January 1, 2012 and an implementation date of February 1, 2012 for the new rates.

On February 2, 2012, after filing its draft Rate Order but prior to the Board issuing the final Rate Order, Algoma filed a Motion to Review and Vary (the "Motion") the Board's Decision. On February 3, 2012 the Board issued a Notice of Motion and Procedural Order No. 1 which stayed the implementation of the Decision, including the issuance of a Rate Order, pending the Board's review of the Motion. Pursuant to the Notice of Motion and Procedural Order No. 1, on February 15, 2012 Algoma filed, amongst other things, a revised draft Rate Order which reflected the impact of the variances to the Decision proposed in the Motion.

In its Decision on Motion to Review and Vary issued on March 5, 2012 the Board varied the Decision in regard to (i) the balances for the year ended December 31, 2010 for account 1588 RSVA Power excluding the Sub-account Global Adjustment and account 1588 RSVA Power Sub-account Global Adjustment; (ii) the disposition term of the Group 1 RSVA balances excluding 1588 Global Adjustment sub-account; and (iii) the implementation date of the new rates and recovery of foregone revenue.

The Board has reviewed the information provided in support of the revised draft Rate Order, and the proposed Tariff of Rates and Charges and is satisfied that the Tariff of Rates and Charges accurately reflects the Board's Decision, as varied on March 5, 2012.

Rural or Remote Electricity Rate Protection ("RRRP")

The Board notes that on December 21, 2011 the Board issued its Decision and Order pertaining to the Rural or Remote Electricity Rate Protection benefit and charge to be effective in 2012 (EB-2011-0405). The Tariff of Rates and Charges approved in this Order reflects that Decision and Order.

In its Decision and Order dated January 20, 2012, the Board noted that the level of RRRP funding for Algoma is dependent upon the Board's findings regarding the underlying elements of the funding calculation, such as the Price Cap Index and the RRRP Adjustment. The Price Cap Index and the RRRP Adjustment were set at 0.38% and 2.81% respectively in the Decision and Order.

Algoma prepared its draft Rate Order on this basis and calculated the RRRP funding amount to be \$11,314,397.

The Board finds that the amount of RRRP of \$11,314,397 for the year commencing January 1, 2012 (or \$942,866 per month) accurately reflects the Board's findings pursuant to the applicable regulations.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix "A" of this Rate Order is approved effective January 1, 2012 and implemented March 1, 2012 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 service area, and is final in all respects.
3. Algoma shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, March 6, 2012

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A

TO RATE ORDER

EB-2011-0152

Algoma Power Inc.

DATED: March 6, 2012

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2012
Implementation Date March 1, 2012

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

EB-2011-0152

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. 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, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	21.51
Smart Meter Funding Adder – effective until December 31, 2012	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0302
Rate Rider for Foregone Revenue Recovery – effective until December 31, 2012	\$/kWh	0.0003
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until May 31, 2013	\$/kWh	0.0046
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until May 31, 2013	\$/kWh	(0.0061)
Rate Rider for Tax Changes – effective until December 31, 2012	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective until April 30, 2012	\$/kWh	0.0013
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2012
Implementation Date March 1, 2012

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EB-2011-0152

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. 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

Service Charge	\$	596.12
Smart Meter Funding Adder– effective until December 31, 2012	\$	1.00
Distribution Volumetric Rate	\$/kW	2.7086
Rate Rider for Foregone Revenue Recovery – effective until December 31, 2012	\$/kW	0.0272
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until May 31, 2013	\$/kW	2.2664
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until May 31, 2013	\$/kW	(2.8219)
Rate Rider for Tax Changes – effective until December 31, 2012	\$/kW	(0.0273)
Retail Transmission Rate – Network Service Rate	\$/kW	2.6396
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8099
Retail Transmission Rate – Network Service Rate – Interval Metered > 1,000 kW	\$/kW	2.8001
Retail Transmission Rate – Line and Trans. Connection Service Rate – Interval Metered > 1,000 kW	\$/kW	2.0003

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective until April 30, 2012	\$/kWh	0.0013
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2012
Implementation Date March 1, 2012

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EB-2011-0152

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. 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

Service Charge	\$	26.15
Smart Meter Funding Adder – effective until December 31, 2012	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.1006
Rate Rider for Foregone Revenue Recovery – effective until December 31, 2012	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until May 31, 2013	\$/kWh	0.0046
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until May 31, 2013	\$/kWh	(0.0061)
Rate Rider for Deferral/Variance Account Disposition – effective until November 30, 2015	\$/kWh	0.0307
Rate Rider for Tax Changes – effective until December 31, 2012	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective until April 30, 2012	\$/kWh	0.0013
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
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EB-2011-0152

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. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.96
Distribution Volumetric Rate	\$/kWh	0.1543
Rate Rider for Foregone Revenue Recovery – effective until December 31, 2012	\$/kWh	0.0001
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until May 31, 2013	\$/kWh	0.0048
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until May 31, 2013	\$/kWh	(0.0061)
Rate Rider for Tax Changes – effective until December 31, 2012	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9907
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3992

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge – effective until April 30, 2012	\$/kWh	0.0013
Rural Rate Protection Charge – effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

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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

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
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

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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 monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly 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