



March 23, 2012

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: 2012 APPLICATION TO DISPOSE ACCOUNT 1521 – SPECIAL PURPOSE CHARGE**

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Please find accompanying this letter two (2) copies of Algoma Power Inc.'s Application to Dispose Account 1521 – Special Purpose Charge. Coincidentally with this written submission, a PDF version has been filed via the Board's Regulatory Electronic Submission System.

If you have any questions in connection with the above matter, please do not hesitate to contact the undersigned at (905) 994-3634.

Yours truly,

Original signed by:

Douglas R. Bradbury  
Director, Regulatory Affairs

Enclosures



**An Application**  
**By**  
**Algoma Power Inc.**  
**To**  
**Dispose of Account 1521 – Special Purpose Charge**  
**Effective January 1, 2012**

**Submitted: March 23, 2012**

## **ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** an Application by Algoma Power Inc. for an Order or Orders pursuant to Section 78 of the *Ontario Energy Board Act, 1998* approving disposition of the account balance of Account 1521 – Special Purpose Charge, effective January 1, 2012.

### **Application**

1. The applicant is Algoma Power Inc. (“API” or the “Applicant”), a wholly-owned subsidiary of FortisOntario Inc. (“FortisOntario”). The Applicant, an Ontario corporation with its head office in Sault Ste. Marie, Ontario carries on the business of owning and operating electricity distribution facilities in the Algoma District of Ontario.
2. In the matter of EB-2011-0152, the Ontario Energy Board (the “Board” or the “OEB”) approved electricity distribution rates for API effective January 1, 2012.
3. In its Decision and Order in the matter of EB-2011-0152, the Board directed API to file for disposition of any balance in the Special Purpose Charge (“SPC”) variance account no later than April 15, 2012.
4. API hereby applies to the Board, pursuant to section 78 of the Ontario Energy

Board Act, 1998 as amended (the “OEB Act”) for an Order or Orders approving disposition of the account balance of Account 1521 – Special Purpose Charge, effective January 1, 2012.

5. The persons affected by this Application are the ratepayers of API's service territory. It is impractical to set out their names and addresses because they are too numerous.

API's contact information for this Application is as follows:

The Applicant:

Mr. Douglas R. Bradbury  
Director Regulatory Affairs  
Algoma Power Inc.

Mailing Address: 1130 Bertie Street  
P. O. Box 1218  
Fort Erie, Ontario L2A 5Y2  
Telephone: (905) 994-3634  
Fax: (905) 994-2207  
Email Address: doug.bradbury@fortisontario.com

The Applicant's counsel:

Mr. R. Scott Hawkes  
Vice President, Corporate Services and General Counsel  
Algoma Power Inc.

Mailing Address: 1130 Bertie Street  
P. O. Box 1218  
Fort Erie, Ontario L2A 5Y2  
Telephone: (905) 994-3642  
Fax: (905) 994-2211  
Email Address: scott.hawkes@fortisontario.com

DATED at Fort Erie, Ontario this 23<sup>th</sup> day of March, 2012.

ALGOMA POWER INC.

By its counsel,



R. Scott Hawkes

**Preamble**

In the matter of EB-2011-0152, the Board approved electricity distribution rates for API effective January 1, 2012.

In its Application, EB-2011-0152, API had indicated that since it bills its seasonal customers on an annual cycle, not all consumption to June 30, 2011 will have been recorded at the time of the application.

The Board accepted API’s proposal and in its Decision and Order directed API to file for the disposition of any balance in the SPC variance account, account 1521, no later than April 15, 2012 which is the date set out in the SPC Regulation.

Compliant with the Board’s direction, this is API’s Application to dispose of the balance in the SPC variance account, account 1521.

**Special Purpose Charge**

API confirms that as of the date of this Application billing related to the Special Purpose Charge has been completed and have been recorded.

On April 16, 2010, API received an Assessment for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs in the amount of \$73,800. Payment was remitted on June 3, 2010. A copy of this assessment is provided here as Schedule “A”.

As of December 31, 2011, Account 1521 – Special Purpose Charge has a credit balance of \$4,524. A detailed continuity of the account is provided in the table shown below.

**Account 1521 - Special Purpose Charge - Continuity Statement**

SPC Assessment (Principal Balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	December 31, 2010 Year-end Principal Balance	December 31, 2010 Year-end Carrying Charges Balance	Amount recovered from customers in 2011	Carrying Charges for 2011	December 31, 2011 Year-end Principal Balance	December 31, 2011 Year-end Carrying Charges Balance	Total for Disposition (Principal and Interest)
\$ 73,800	\$ 24,225	\$ 343	\$ 49,575	\$ 343	\$ 54,639	\$ 197	\$ (5,064)	\$ 540	\$ (4,524)

Provided below is the determination of volumetric rate riders required to dispose this account balance over a twelve month period.

The billed quantities for energy and demand (kWh and kW) are those approved in API most recent cost of service application, EB-2009-0278, and are 2011 test year forecasted amounts. Rate riders have been determined in the same manner has was prescribed in the 2012 IRM3 process.

**Allocation of Account 1521 Special Purpose Charge**

Rate Class	Billed kWh	Billed kW	% kWh	Account 1521	Rate Rider	
Residential - R1	106,119,297		55.81%	(2,525)	\$(0.00002)	per kWh
Residential - R2	70,606,900	151,952	37.13%	(1,680)	\$(0.01106)	per kW
Seasonal	12,622,297		6.64%	(300)	\$(0.00002)	per kWh
Street Lighting	791,996		0.42%	(19)	\$(0.00002)	per kWh
Totals	190,140,490	151,952	100.00%	(4,524)		
Notes: Billed quantities are the most recent Board approved; EB-2009-0278						

The determination of the rate riders results in energy-based kWh rate riders of \$0.0000 when rounded to the fourth decimal place and a demand-based kW rate rider of \$0.01 when rounded to the second decimal place.

**Relief Sought**

API suggests that these rate rider amounts are negligible. API requests that the Board approve the credit balance of \$4,524 for recovery and direct API to record this amount in Account 1595, Disposition and Recovery of Regulatory Balances Control Account, for future disposition.

## **Schedule “A”**



Ontario Energy  
Board  
P.O. Box 2319  
26th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

Commission de l'énergie  
de l'Ontario  
C.P. 2319  
26e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone; 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



**VIA EMAIL AND MAIL**

April 16, 2010

**TO: Licensed Electricity Distributors**

**RE: Revised Invoice - "Special Purpose Charge" Assessment under Section 26.1 of the Ontario Energy Board Act, 1998 for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs**

The Ontario Energy Board recently sent distributors an invoice reflecting the assessment under Section 26.1 of the Ontario Energy Board Act. That invoice, dated April 15, 2010, is in error and should be disregarded. The attached invoice, dated April 16, 2010, is the correct version.

We apologize for any confusion caused by this error.

Any questions regarding the attached revised invoice, other than in relation to payment, should be directed to the Market Operations Hotline at 416-440-7604 or by e-mail at [market.operations@oeb.gov.on.ca](mailto:market.operations@oeb.gov.on.ca). The Board's toll free number is 1-888-632-6273.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary

Attachments: Revised Invoice - Assessment for Ministry of Energy and Infrastructure

**Revised Invoice**  
 Ministry of Energy and Infrastructure  
 Conservation and Renewable Energy Program Costs

V70095

**To:** Algoma Power Inc.  
 1130 Bertie St, P.O. Box 1218  
 Fort Erie, ON L2A 5Y2  
 Attn: Tim Lavoie, General Manager

Customer No./No du client 463350
Customer Site No./ N° d'emplacement du client 1061027
Invoice Date/Date de la facture  April 16, 2010
Invoice No./ N° de la facture 50000
Due Date/ Date d'échéance  July 30, 2010
Payment Amount/Montant remis  CAD \$ 73,800

**Item Description:**

Assessment for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs.  
 Quote-part pour les coûts des programme de conservation et d'énergie renouvelable du ministère de l'Énergie et de l'Infrastructure.

*Questions related to the remittance should be directed to the Non-Tax Revenue Management Branch Contact Centre at 1-877-535-0554 or Fax (416) 326-5177. Les questions concernant la remise doivent être posées à l'InfoCentre de la Direction de la gestion des revenus non fiscaux au 1 877 535-0554 ou par télécopieur au 416 326-5177.*

*This assessment was calculated by the Ontario Energy Board, 2300 Yonge St. 27<sup>th</sup> Floor, P.O. Box 2319, Toronto, ON M4P 1E4. Questions related to the invoice should be directed to the Market Operations Hotline 416-440-7604. La présente quote-part a été fixée par la Commission de l'énergie de l'Ontario, 2300, rue Yonge, 27<sup>e</sup> étage, case postale 2319, Toronto (Ontario) M4P 1E4. Les questions relatives à la facture doivent être posées au service de téléassistance du service Activités du marché : 416 440-7604.*

*Payments are to be made to the Minister of Finance not the Ontario Energy Board. Les paiements doivent être faits au ministre des Finances et non à la Commission de l'énergie de l'Ontario.*

*[Signature]*  
 2010/06/03 401-0000-171-75-22

**Applying your payment to a specific invoice:** (indicate the invoice number and amount to be applied)

Invoice Number	Amount
	\$ ↓
	\$ ↓
	\$ ↓
	\$ ↓

Invoice Number	Amount
	\$ ↓
	\$ ↓
	\$ ↓
	\$ ↓
	\$ ↓