



EB-2012-0182

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 the disposition of the balance in Account 1521, Special Purpose Charge Assessment Variance Account, effective January 1, 2012.

By delegation, before: Pascale Duguay

DECISION AND ORDER

Algoma Power Inc. ("Algoma"), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the "Board") on March 23, 2012 under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for the disposition of the balance in Account 1521, Special Purpose Charge Assessment Variance Account ("SPC Account"), effective January 1, 2012. The Board assigned the application file number EB-2012-0182.

The Board authorized Account 1521, Special Purpose Charge Assessment Variance Account in accordance with Section 8 of *Ontario Regulation 66/10 (Assessments for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs)* (the "SPC Regulation"). Accordingly, any difference between (a) the amount remitted to the Minister of Finance for the distributor's SPC assessment and (b) the amounts recovered from customers on account of the assessment were to be recorded in "sub-account 2010 SPC Assessment Variance" of Account 1521.

In accordance with Section 8 of the SPC Regulation, distributors are required to apply no later than April 15, 2012 for an order authorizing the disposition of any residual balance in sub-account 2010 SPC Assessment Variance. The Filing Requirements, version 3.0 dated June 22, 2011, set out the Board's expectation that requests for disposition of this account balance would be heard as part of the proceedings to set rates for the 2012 year.

In its Decision and Order on Algoma's 2012 IRM application (EB-2011-0152), the Board directed Algoma to file for the disposition of any balance in the SPC Account no later than April 15, 2012 given that Algoma did not have the information available at the time of its 2012 IRM filing to finalize the balance in the SPC Account. In the 2012 IRM application Algoma had indicated that since it bills seasonal customers on an annual cycle, not all consumption to June 30, 2011 would have been recorded at the time of the application.

The SPC Account records the difference between the \$73,800 Algoma remitted to the Minister of Finance and the amount actually collected from customers for the Special Purpose Charge ("SPC") during 2010 and 2011. Algoma confirmed that the billing related to the SPC is completed and recorded. The SPC Account balance to December 31, 2011, including carrying charges as of December 31, 2011 is a credit of \$4,524 and is comprised of the following:

SPC Assessment	\$73,800
2010 collections from customers	(\$24,225)
2011 collections from customers	<u>(\$54,639)</u>
Sub total Principal	<u>(\$5,064)</u>
2010 carrying charges	\$343
2011 carrying charges	<u>\$197</u>
Sub total carrying charges	<u>\$540</u>
TOTAL SPC Account balance	(\$4,524)

Algoma calculated the volumetric rate riders, using volumes approved in Algoma's most recent cost of service proceeding, EB-2009-0278, that would be required to refund the SPC Account balance to customers over a 12 month period. This resulted in rate riders of \$0.0000/kWh for the energy-based customer classes and \$0.01/kWh for the demand-

based customer class. Given these results, Algoma proposed that the \$4,524 credit balance be approved for disposition and recorded in Account 1595, Disposition and Recovery/Refund of Regulatory Balances Control Account ("Account 1595") for future disposition.

Findings

I find that Algoma has complied with the Board's directive in the 2012 IRM proceeding (EB-2011-0152) that directed Algoma to file for the disposition of any balance in the SPC Account no later than April 15, 2012. I approve, on a final basis, a principal credit balance of \$5,064 plus carrying charges as of April 30, 2012 to be transferred to a separate sub-account of Account 1595 entitled "Sub-Account SPC Approved Balance" for future disposition. This transfer should be completed on a timely basis to ensure it is included in the June 30, 2012 (3rd Quarter) *Reporting and Record-keeping Requirements* ("RRR") data reported. Carrying charges shall apply to the approved principal credit balance and should be recorded in this sub-account until such time that Algoma receives approval to dispose of Account 1595. I direct that the SPC Account be closed as of May 1, 2012. I am approving the SPC Account balance for future disposition at this time, despite the usual practice that the amounts be audited, since the account balance does not require a prudence review and electricity distributors are required by regulation to apply for disposition of this account by April 15, 2012.

I am issuing this Decision and Order without a hearing pursuant to Section 21(4) of the *Ontario Energy Board Act*. This is so since no customers will be adversely affected in a material way by the outcome of the proceeding, and the applicant requested that the Board decide on the application without a hearing.

THE BOARD ORDERS THAT:

1. Algoma shall transfer the principal credit balance of \$5,064 plus carrying charges as of April 30, 2012 from the SPC Account (i.e. Account 1521) to Account 1595, Disposition and Recovery/Refund of Regulatory Balances Control Account, Sub-Account SPC Approved Balance. The transfer shall be completed within the timeframe specified in this Decision and Order.
2. Algoma shall close the SPC Account by May 1, 2012.

DATED at Toronto, April 18, 2012

ONTARIO ENERGY BOARD

Original signed by

Pascale Duguay
Manager, Electricity Rates Applications