



EB-2012-0104

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, 2013.

BEFORE: Marika Hare
Presiding Member

RATE ORDER

Algoma Power Inc. (“API”) filed an application with the Ontario Energy Board (the “Board”) on October 22, 2012 for permission to change its delivery charges beginning January 1, 2013. 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-2012-0104 to this application.

The Board issued its Decision and Order (the “Decision”) on the application on March 28, 2013. The Board approved an effective date of January 1, 2013 and an implementation date of May 1, 2013 for the new rates and ordered API to file a draft Rate Order reflecting the Board’s findings.

API filed a draft Rate Order on April 4, 2013, including supporting models and calculation of foregone revenue rate riders for the period from January 1, 2013 and April 30, 2013. On April 11, 2013, Board staff submitted comments on the material filed.

Board staff submitted that API had appropriately calculated interest to April 30, 2013 on its Deferral and Variance Account balances as approved by the Board, stating that API's calculations reflected the intent of the Board's Decision. Board staff also agreed that the 2013 Smart Meter Incremental Revenue Requirement ("SMIRR") should appropriately include PILs, and submitted a corrected smart meter model to reflect 2013 PILs in the calculation. Board staff's submission clarified that the SMIRR is an annualized amount that should be recovered in each of the remaining two years in API's IRM period and noted that the foregone SMIRR revenue from the effective date of rates should be recovered through the Smart Meter Deferred Revenue ("SMDR"). Board staff also submitted that the Smart Metering Entity ("SME") charge should be reflected in the Delivery Component of its Tariff of Rates and Charges, as opposed to the Regulatory Component.

On April 15, 2013, API filed its response to Board staff's comments, revising its calculations of the SMIRR and SMDR amounts and recalculating the impact on the applicable rate classes and the Rural or Remote Electricity Rate Protection ("RRRP") funding required. API submitted a revised Tariff of Rates and charges reflecting the recalculated rates and re-classified the SME charge to the Delivery Component.

The Board has reviewed the information provided in support of the revised draft Rate Order, and the proposed Tariff of Rates and Charges. The Board is satisfied that the Tariff of Rates and Charges accurately reflects the Board's Decision issued March 28, 2013.

Rural or Remote Electricity Rate Protection ("RRRP")

In its EB-2011-0152 Decision for API's 2012 IRM, the Board approved a methodology to calculate the RRRP funding for the R-1 and R-2 rate classes using the difference between:

- i. The revenue requirement for the R-1 and R-2 customer rate classes adjusted by the price cap adjustment index; and

- ii. The revenues generated by the R-1 and R-2 rate classes using the RRRP Adjustment.

In its Decision and Order dated March 28, 2013, 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, that is the Price Cap index and the RRRP adjustment. The Price Cap Index and the RRRP Adjustment were set at 0.88% and 3.75% respectively. The Board's Decision also approved API's proposal to include smart meter costs applicable to its R-1 customer class in its R-1 revenue requirement for the purposes of calculating the RRRP funding.

API prepared its draft Rate Order on this basis and calculated the 2013 RRRP funding amount to be \$12,368,719. In calculating the monthly RRRP funding amount, API took into consideration the RRRP funding of \$3,771,466 received between January 1, 2013 and April 30, 2013. Algoma calculated a balance remaining to be received for the period from May 1, 2013 to December 31, 2013 of \$8,597,253, or \$1,074,657 per month.

The Board finds that the amount of RRRP of \$12,368,719 for the year commencing January 1, 2013 accurately reflects the Board's findings pursuant to the applicable regulations and approves the calculated monthly payment of \$1,074,657 effective May 1, 2013.

The Board notes that the approved monthly RRRP amount of \$1,074,657 incorporates foregone revenue for the period from January 1, 2013 to April 30, 2013. The Board orders that this monthly payment shall be reduced effective January 1, 2014 to \$1,030,727 in the event that the Board has not issued a new Decision approving API's 2014 rates by December 31, 2013.

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, 2013 and implemented May 1, 2013 for electricity consumed or estimated to have been consumed on and after May 1, 2013.
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. API shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, April 25, 2013

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A
To Rate Order
Tariff of Rates and Charges
EB-2012-0104
DATED: April 25, 2013

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2013
Implementation Date May 1, 2013

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

EB-2012-0104

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	\$	22.32
Smart Metering Entity Charge - effective May 1, 2013 until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0313
Rate Rider for Foregone Revenue Recovery – effective until December 31, 2014	\$/kWh	0.0004
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 (2013) – effective until December 31, 2013	\$/kWh	(0.0052)
Rate Rider for Global Adjustment Sub-Account Disposition (2013) – effective until December 31, 2013	\$/kWh	0.0150
Rate Rider for Tax Changes – effective until December 31, 2013	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge – effective on and after May 1, 2013	\$/kWh	0.0012
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2013
Implementation Date May 1, 2013

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EB-2012-0104

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
Distribution Volumetric Rate	\$/kW	2.8949
Rate Rider for Foregone Revenue Recovery – effective until December 31, 2014	\$/kW	0.0373
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 Deferral/Variance Account Disposition (2013) – effective until December 31, 2013	\$/kW	(1.3006)
Rate Rider for Global Adjustment Sub-Account Disposition (2013) – effective until December 31, 2013	\$/kW	6.4235
Rate Rider for Tax Changes – effective until December 31, 2013	\$/kW	(0.0300)
Retail Transmission Rate – Network Service Rate	\$/kW	2.5633
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7423
Retail Transmission Rate – Network Service Rate – Interval Metered > 1,000 kW	\$/kW	2.7191
Retail Transmission Rate – Line and Trans. Connection Service Rate – Interval Metered > 1,000 kW	\$/kW	1.9255

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge – effective on and after May 1, 2013	\$/kWh	0.0012
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. 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	\$	26.38
Smart Meter Deferred Revenue Rate Rider – effective until December 31, 2016	\$	3.57
Smart Meter Incremental Revenue Rate Rider – effective until December 31, 2014	\$	4.69
Smart Metering Entity Charge - effective May 1, 2013 until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.1015
Rate Rider for Foregone Revenue Recovery – effective until December 31, 2014	\$/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 Deferral/Variance Account Disposition (2013) – effective until December 31, 2013	\$/kWh	(0.0056)
Rate Rider for Deferral/Variance Account Disposition – effective until November 30, 2015	\$/kWh	0.0307
Rate Rider for Global Adjustment Sub-Account Disposition (2013) – effective until December 31, 2013	\$/kWh	0.0150
Rate Rider for Tax Changes – effective until December 31, 2013	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0069
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge – effective on and after May 1, 2013	\$/kWh	0.0012
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. 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	\$	0.97
Distribution Volumetric Rate	\$/kWh	0.1557
Rate Rider for Foregone Revenue Recovery – effective until December 31, 2014	\$/kWh	0.0003
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 Deferral/Variance Account Disposition (2013) – effective until December 31, 2013	\$/kWh	(0.0045)
Rate Rider for Global Adjustment Sub-Account Disposition (2013) – effective until December 31, 2013	\$/kWh	0.0150
Rate Rider for Tax Changes – effective until December 31, 2013	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9331
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3469

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge – effective on and after May 1, 2013	\$/kWh	0.0012
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

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	\$	5.40
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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

Algoma Power Inc.
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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