



EB-2013-0110

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 or orders approving or fixing
just and reasonable distribution rates and other
charges, to be effective January 1, 2014.

BEFORE: Marika Hare
Presiding Member

Allison Duff
Member

**RATE ORDER
March 6, 2014**

Introduction

Algoma Power Inc. (“Algoma”) filed an application with the Ontario Energy Board (the “Board”) on August 16, 2013 under section 78 of the Act, seeking approval for changes to the rates that Algoma charges for electricity distribution, effective January 1, 2014 (the “Application”) and includes the impact of the Rural or Remote Rate Protection (“RRRP”) funding, pursuant to Ontario Regulation 442/01.

In its Decision and Order on the Application issued on February 20, 2014, the Board ordered Algoma to file with the Board a Draft Rate Order that includes revised models in Microsoft Excel format and a proposed Tariff of Rates and Charges reflecting the Board’s findings in this Decision by February 28, 2014. Board staff was to file any comments on the Draft Rate Order including the revised models and proposed rates with the Board and forward to Algoma within 7 days of the date of filing of the Draft Rate Order.

On February 25, 2014 Algoma filed a proposed Tariff of Rates and Charges. On February 28, 2014 Board staff submitted comments noting that the Draft Tariff of Rates and Charges should be corrected for the following:

- Ensure that the third paragraph beneath the Application section for each rate class contains the following wording:
 - *In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.*
- Update Shared Tax Savings Model to incorporate the correct variable rate for the Street Lighting Class and update the shared tax savings rate riders on the proposed tariff of rates and charges.

Board staff noted that effective and implementation dates for Algoma's 2014 rates are different and that Algoma submitted its foregone revenue calculation for the months of January and February 2014. Board staff noted that it had reviewed the calculations and associated rate riders and had no concerns.

On February 28, 2014 Algoma filed a reply submission and included a revised Draft Tariff of Rates and Charges that reflects the above changes.

The Board accepts the revised Tariff of Rates and Charges with the changes made in response to Board staff's comments.

Rural or Remote Electricity Rate Protection Charge (RRRP)

The Board issued a Decision and Rate Order (EB-2013-0396) establishing the RRRP benefit and charge for 2014 on December 19, 2013. The Board determined the RRRP charge paid by all rate regulated distributors and collected by the Independent Electricity Systems Operator shall be increased to \$0.0013 per kWh effective May 1, 2014, from the current \$0.0012 per kWh. The attached Tariff of Rates and Charges flowing from this Rate Order reflects both the RRRP charge effective until April 30, 2014 and the RRRP charge effective May 1, 2014.

In its Decision on Algoma's 2012 IRM (EB-2011-0152), the Board enhanced the approved methodology to calculate the RRRP funding for the R-1 and R-2 rate classes during IRM years using the difference between:

- i. The revenue requirement for the R-1 and R-2 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 February 20, 2014 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 1.4% and 3.76% respectively.

Algoma prepared its Draft Rate Order on this basis and calculated the 2014 RRRP funding amount to be \$12,130,404. In calculating the monthly RRRP funding amount, Algoma took into consideration the RRRP funding of \$2,019,586 received between January 1, 2014 and February 28, 2014. Algoma calculated a balance remaining to be received for the period from March 1, 2014 to December 31, 2014 of \$10,110,818, or \$1,011,082 per month.

The Board finds that the amount of RRRP of \$12,130,404 for the year commencing January 1, 2014 accurately reflects the Board's findings pursuant to the applicable regulations and approves the calculated monthly payment of \$1,011,082 effective March 1, 2014.

THE BOARD ORDERS THAT:

1. The revised Tariff of Rates and Charges set out in Appendix A of this Order are final effective January 1, 2014, and will apply to electricity consumed or estimated to have been consumed on and after March 1, 2014. 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, 2014

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Rate Order

Algoma Power Inc.

Tariff of Rates and Charges

Board File No: EB-2013-0110

DATED: March 6, 2014

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2014
Implementation Date March 1, 2014

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

EB-2013-0110

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. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

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	\$	23.16
Smart Metering Entity Charge - effective May 1, 2013 until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0325
Rate Rider for Foregone Revenue Recovery (2013) – effective until December 31, 2014	\$/kWh	0.0004
Rate Rider for Foregone Revenue Recovery (2014) – effective until December 31, 2014	\$/kWh	0.0004
Rate Rider for Tax Changes – effective until December 31, 2014	\$/kWh	(0.0001)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0070
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge – effective until April 30, 2014	\$/kWh	0.0012
Rural Rate Protection Charge – effective May 1, 2014	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
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Effective Date January 1, 2014
Implementation Date March 1, 2014

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EB-2013-0110

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	3.0887
Rate Rider for Foregone Revenue Recovery (2013) – effective until December 31, 2014	\$/kW	0.0373
Rate Rider for Foregone Revenue Recovery (2014) – effective until December 31, 2014	\$/kW	0.0388
Rate Rider for Tax Changes – effective until December 31, 2014	\$/kW	(0.0148)
Retail Transmission Rate – Network Service Rate	\$/kW	2.5861
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7988
Retail Transmission Rate – Network Service Rate – Interval Metered > 1,000 kW	\$/kW	2.7433
Retail Transmission Rate – Line and Trans. Connection Service Rate – Interval Metered > 1,000 kW	\$/kW	1.9879

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge – effective until April 30, 2014	\$/kWh	0.0012
Rural Rate Protection Charge – effective May 1, 2014	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective Date January 1, 2014
Implementation Date March 1, 2014

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EB-2013-0110

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	\$	26.75
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	0.1029
Rate Rider for Foregone Revenue Recovery (2013) – effective until December 31, 2014	\$/kWh	0.0003
Rate Rider for Foregone Revenue Recovery (2014) – effective until December 31, 2014	\$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition – effective until November 30, 2015	\$/kWh	0.0307
Rate Rider for Tax Changes – effective until December 31, 2014	\$/kWh	(0.0006)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0070
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge – effective until April 30, 2014	\$/kWh	0.0012
Rural Rate Protection Charge – effective May 1, 2014	\$/kWh	0.0013
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

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	0.98
Distribution Volumetric Rate	\$/kWh	0.1579
Rate Rider for Foregone Revenue Recovery (2013) – effective until December 31, 2014	\$/kWh	0.0003
Rate Rider for Foregone Revenue Recovery (2014) – effective until December 31, 2014	\$/kWh	0.0005
Rate Rider for Tax Changes – effective until December 31, 2014	\$/kWh	(0.0005)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9503
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3906

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge – effective until April 30, 2014	\$/kWh	0.0012
Rural Rate Protection Charge – effective May 1, 2014	\$/kWh	0.0013
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	\$	5.40
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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

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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