



January 20, 2015

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

Dear Ms. Walli:

**RE: 2015 ELECTRICITY DISTRIBUTION RATE APPLICATION FOR ALGOMA POWER INC.
("API") – EB-2014-0055
DRAFT RATE ORDER**

Please find accompanying this letter, an addendum to page 7 of 21 of API's Draft Rate Order originally submitted on January 19, 2015. Line 4 contained a typo in the amount of 2015 capital expenditures. The correct amount is \$8,875,000.

In addition, please find attached revised tariff sheets for the Residential R2 and Street Lighting classifications as the original submission omitted the foregone revenue calculation.

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

1 **CAPITAL EXPENDITURES**

2
3 In the Settlement Agreement accepted by the Board, the parties agreed with the 2015 capital
4 expenditures for the purpose of calculating 2015 revenue requirement to be \$8,875,000. API
5 has maintained these agreed amounts in the determination of its 2015 revenue requirement.
6

7 **WORKING CAPITAL ALLOWANCE (WCA)**

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9 API had used the standard methodology for calculating the WCA as 13% of the sum of
10 controllable expenses and the cost of power. In the Settlement Agreement the parties agreed to
11 a reduction in the WCA from 13% to 10% of the revised working capital requirement. In the
12 Settlement Agreement accepted by the Board, the parties agreed that the 2015 WCA for the
13 purpose of calculating 2015 revenue requirement is \$3,548,160, down from the applied for
14 amount of \$4,647,574. API has used the agreed amount of \$3,548,160 in the determination of
15 its 2015 revenue requirement.
16

17 **RATE BASE**

18
19 The Settlement Agreement accepted by the Board established 2015 Rate base for the purpose
20 of calculating 2015 revenue requirement to be \$98,071,831. API has maintained this agreed
21 amount in the determination of its 2015 revenue requirement.
22

23 **CUSTOMER AND LOAD FORECAST**

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25 In the Settlement Agreement accepted by the Board, the parties accepted the API's proposed
26 customer and load forecast as presented in its response to undertakings JT1.6, JT1.7 and JT1.8
27 arising from the Technical Conference of this proceeding, held on August 20, 2014. API has
28 used the following tables for its customer and load forecast for the purposes of calculating
29 electricity distribution rates in this Draft Rate Order.
30

Algoma Power Inc.

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2015
Implementation Date February 1, 2015

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

EB-2014-0055

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.

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	\$	600.83
Distribution Volumetric Rate	\$/kW	3.1131
Foregone Revenue Recovery (2015) – effective until December 31, 2015	\$/kW	0.0035
Rate Rider for the Disposition of Deferral/Variance Accounts (2014) – effective until December 31, 2015	\$/kW	(5.8937)
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) – effective until December 31, 2015	\$/kW	9.1750
Rate Rider for the Recovery of Lost Revenue Adjustment (LRAM) – effective until December 31, 2015	\$/kW	0.0032
Rate Rider for the Disposition of Account 1575 & 1576 – effective until December 31, 2019	\$/kW	(0.8010)
Retail Transmission Rate – Network Service Rate	\$/kW	2.7770
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9539

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

Algoma Power Inc.

TARIFF OF RATES AND CHARGES

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EB-2014-0055

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.

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 (per connection)	\$	1.10
Distribution Volumetric Rate	\$/kWh	0.1767
Foregone Revenue Recovery (2015) – effective until December 31, 2015	\$/kWh	0.0019
Rate Rider for the Disposition or Deferral/Variance Accounts (2014) – effective until December 31, 2015	\$/kWh	(0.0141)
Rate Rider for the Disposition of Global Adjustment Sub-Account (2014) – effective until December 31, 2015	\$/kWh	0.0219
Rate Rider for the Disposition of Account 1575 & 1576 – effective until December 31, 2019	\$/kWh	(0.0019)
Retail Transmission Rate – Network Service Rate	\$/kW	2.0109
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4094

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge –	\$/kWh	0.0013
Standard Supply Service – Administration Charge (if applicable)	\$	0.25