



**EB-2014-0055**

**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, 2015.

**FINAL RATE ORDER**  
**February 2, 2015**

Algoma Power Inc. (Algoma Power) filed an application with the Ontario Energy Board on May 12, 2014 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Algoma Power charges for electricity distribution, to be effective January 1, 2015.

The Energy Probe Research Foundation (Energy Probe), the Vulnerable Energy Consumers Coalition (VECC) and the Algoma Coalition applied for and were granted intervenor status and cost eligibility.

The Board held a technical conference on August 20, 2014 and a settlement conference on September 8, 2014.

Algoma Power and intervenors filed a partial settlement proposal on October 10, 2014 (the Settlement Proposal). The unsettled issues were heard in an oral hearing on October 20, 2014.

In its Decision and Order, issued January 8, 2015, the Board ordered Algoma Power to file a draft Rate Order (DRO) that included all relevant calculations showing the impact of the implementation of the Settlement Proposal and the Decision on its proposed

Revenue Requirement, the allocation of the approved Revenue Requirement to the rate classes, the determination of final rates and bill impacts. The Board also made provision for Board staff and intervenors' comments on the DRO, as well as a reply by Algoma Power.

Algoma Power filed a DRO on January 19, 2015. Board staff, Energy Probe and VECC reviewed the DRO. Board staff and Energy Probe confirmed that the revenue requirement and resulting rates had been correctly reflected in the DRO. VECC had no comments.

Energy Probe recommended a wording change to the DRO as the draft incorrectly indicated that revenue-to-cost ratios were part of the Settlement Proposal.

Board staff noted inconsistencies between the descriptors of certain line items in the Tariff as submitted in the DRO with the language adopted by the Board in the Tariffs of other distributors. Board staff provided a revised Tariff with revised descriptors.

In its reply, Algoma Power made no further submissions.

The Board has reviewed the information provided by Algoma Power in support of the DRO as well as the edits proposed by Board staff. The Board is satisfied that the Tariff of Rates and Charges filed by Algoma Power with the revisions proposed by Board staff accurately reflect the Board's Decision. While the Board agrees with Energy Probe's correction and notes it for the record, the Board will not require Algoma Power to file a revised DRO as the change does not affect the Tariff or the rates calculated.

#### **THE BOARD ORDERS THAT:**

1. The Tariff of Rates and Charges set out in Appendix A of this Order will become final effective January 1, 2015, and will apply to electricity consumed or estimated to have been consumed on and after February 1, 2015. Algoma Power Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

## Cost Awards

The Board will issue a separate decision on cost awards once the following steps are completed:

1. Energy Probe, VECC and the Algoma Coalition shall submit their cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Algoma Power shall file with the Board and forward to Energy Probe, VECC and the Algoma Coalition any objections to the claimed costs within **17 days** from the date of issuance of the final Rate Order.
3. Energy Probe, VECC and the Algoma Coalition shall file with the Board and forward to Algoma Power any responses to any objections for cost claims within **24 days** from the date of issuance of the final Rate Order.
4. Algoma Power shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote the file number, EB-2014-0055, be made through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Suresh Advani at

[suresh.advani@ontarioenergyboard.ca](mailto:suresh.advani@ontarioenergyboard.ca) and Board Counsel, Ljuba Djurdjevic at [ljuba.djurdjevic@ontarionenergyboard.ca](mailto:ljuba.djurdjevic@ontarionenergyboard.ca).

**ADDRESS**

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4  
Attention: Board Secretary

E-mail: [boardsec@ontarioenergyboard.ca](mailto:boardsec@ontarioenergyboard.ca)  
Tel: 1-888-632-6273 (Toll free)  
Fax: 416-440-7656

**DATED** at Toronto, **February 2, 2015**

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**Appendix A**

**To Rate Order**

**Tariff of Rates and Charges**

**Algoma Power Inc.**

**Board File No: EB-2014-0055**

**DATED: February 2, 2015**

# 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 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	\$	23.34
Rate Rider for Smart Metering Entity Change – effective until October 31, 2018	\$	0.79
Rate Rider for Recovery of Stranded Meter Assets – effective until December 31, 2015	\$	2.05
Distribution Volumetric Rate	\$/kWh	0.0328
Rate Rider for Disposition of Deferral/Variance Accounts (2015) – effective until December 31, 2015	\$/kWh	(0.0141)
Rate Rider for Disposition of Global Adjustment Account (2015) – effective until December 31, 2015		
Applicable only for Non-RPP Customers	\$/kWh	0.0219
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) – effective until December 31, 2015	\$/kWh	0.0002
Rate Rider for Disposition of Accounts 1575 & 1576 - effective until December 31, 2019	\$/kWh	(0.0019)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0053

## MONTHLY RATES AND CHARGES – Regulatory Component

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

**Algoma Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective Date January 1, 2015**  
**Implementation Date February 1, 2015**

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**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	\$	600.83
Distribution Volumetric Rate	\$/kW	3.1131
Rate Rider for Disposition of Deferral/Variance Accounts (2015) – effective until December 31, 2015	\$/kW	(5.8937)
Rate Rider for Disposition of Global Adjustment Account (2015) – effective until December 31, 2015		
Applicable only for Non-RPP Customers	\$/kW	9.1750
Rate Rider for Recovery of Lost Revenue Adjustment Mechanism (LRAM) – effective until December 31, 2015	\$/kW	0.0032
Rate Rider for Disposition of Accounts 1575 & 1576 – effective until December 31, 2019	\$/kW	(0.8010)
Rate Rider for Recovery of Foregone Revenue – effective until December 31, 2015	\$/kW	0.0035
Retail Transmission Rate – Network Service Rate	\$/kW	2.7479
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9868

**MONTHLY RATES AND CHARGES – Regulatory Component**

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

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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	\$	27.15
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.79
Rate Rider for Recovery of Smart Meter Deferred Revenue – effective until December 31, 2016	\$	3.57
Rate Rider for Recovery of Stranded Meter Assets – effective until December 31, 2015	\$	2.51
Distribution Volumetric Rate	\$/kWh	0.1462
Rate Rider for Disposition of Deferral/Variance Accounts (2015) – effective until December 31, 2015	\$/kWh	(0.0141)
Rate Rider for Disposition of Global Adjustment Account (2015) – effective until December 31, 2015		
Applicable only for Non-RPP Customers	\$/kWh	0.0219
Rate Rider for Disposition of Account 1574 – effective until June 30, 2019	\$/kWh	0.0307
Rate Rider for Disposition of Accounts 1575 & 1576 – effective until December 31, 2019	\$/kWh	(0.0019)
Rate Rider for Recovery of Foregone Revenue – effective until December 31, 2015	\$/kWh	0.0041
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0053

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/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 (per connection)	\$	1.10
Distribution Volumetric Rate	\$/kWh	0.1767
Rate Rider for Disposition of Deferral/Variance Accounts (2015) – effective until December 31, 2015	\$/kWh	(0.0141)
Rate Rider for Disposition of Global Adjustment Account (2015) – effective until December 31, 2015		
Applicable only for Non-RPP Customers	\$/kWh	0.0219
Rate Rider for Disposition of Accounts 1575 & 1576 – effective until December 31, 2019	\$/kWh	(0.0019)
Rate Rider for Recovery of Foregone Revenue – effective until December 31, 2015	\$/kWh	0.0019
Retail Transmission Rate – Network Service Rate	\$/kW	1.9898
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4332

### **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0044
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/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)

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## **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

#### **Other**

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	\$	1,000.00

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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	1.0917
Total Loss Factor – Primary Metered Customer	1.0808