

# ONTARIO ENERGY BOARD NOTICE TO CUSTOMERS OF ALGOMA POWER INC.

**Algoma Power Inc. has applied to adjust the rates it charges for the distribution of electricity.**

## **Learn more.**

Algoma Power Inc. has applied to the Ontario Energy Board to change its rates in a way that would decrease the amount it charges for distributing electricity by approximately \$1.39 for a typical residential customer that uses 800kWh of electricity per month. The changes would take place starting on January 1, 2016. Other customers, including businesses, may be affected as well.

The requested rate change includes an adjustment using a formula which is tied to inflation and other factors intended to promote efficiency.

As required by the Ontario Energy Board, Algoma Power's application also includes the transition to a new residential rate structure for only the residential customers in the R1 class. Current residential electricity distribution rates are based on a combination of fixed and variable charges. Beginning in 2016, all electricity distributors are required to structure residential rates so that all the costs for distribution service are collected through a fixed monthly charge. As the Ontario Energy Board discusses in its policy paper ([ontarioenergyboard.ca/ratedesign](http://ontarioenergyboard.ca/ratedesign)), this is a fairer and more transparent way to recover costs related to power distribution.

This policy applies only to the cost of distributing electricity. It does not affect the cost of the electricity itself, or other electricity-related charges, which together make up most of a typical customer's bill and will continue to be charged based on how much electricity a customer uses.

The change in rate design will not change the total amount of money your electricity distributor recovers from its residential customers. In fact, most residential customers in Ontario will see little change on their bill after the new policy is fully implemented. The impact of this change on your bill will depend on the amount of electricity you use, but the changes are being made over a longer period than the four-year default transition period established in the Ontario Energy Board's policy to mitigate the impact of any increases.

## **THE ONTARIO ENERGY BOARD IS HOLDING A PUBLIC HEARING**

The Ontario Energy Board (OEB) will hold a public hearing to consider Algoma Power's request. We will determine whether Algoma Power has used the applicable models and formulas as required by the OEB and whether to approve Algoma Power's proposal for applying the change in rate design. At the end of this hearing, the OEB will decide on the appropriate rate changes.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

## **BE INFORMED AND HAVE YOUR SAY**

You have the right to information regarding this application and to be involved in the process:

- You can review Algoma Power's application on the OEB's website now.
- You can file a letter with your comments, which will be considered during the hearing.
- You can become an active participant (called an intervenor). Apply no later than **September 29, 2015** or the hearing will go ahead without you and you will not receive any further notice of the proceeding.
- At the end of the process, you can review the OEB's decision and its reasons on our website.

The OEB intends to consider cost awards in this proceeding that are in accordance with the *Practice Direction on Cost Awards* and are in relation to Algoma Power's proposal for applying the change in rate design.

## **LEARN MORE**

These proposed charges relate to Algoma Power's distribution services. They make up part of the Delivery line – one of the five line items on your bill. Our file number for this case is **EB-2015-0051**. To learn more about this hearing, find instructions on how to file letters or become an intervenor, or to access any document related to this case, select the appropriate application from the list at the OEB website: [ontarioenergyboard.ca/notice](http://ontarioenergyboard.ca/notice). You can also phone our Consumer Relations Centre at 1-877-632-2727 with any questions.

## **WRITTEN HEARING**

There are two types of OEB hearings – oral and written. The OEB is considering holding a written hearing in this case. If you think an oral hearing is needed, you can write to the OEB to explain why by **September 29, 2015**.

## **PRIVACY**

*If you write a letter of comment, your name and the content of your letter or the documents you file with the OEB will be put on the public record and the OEB website. However, your personal telephone number, home address and e-mail address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.*

*This rate hearing will be held under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998 c.15 (Schedule B).*



Ontario

Ontario Energy Board Commission de l'énergie de l'Ontario