



PUBLIC INTEREST ADVOCACY CENTRE  
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October 15, 2015

VIA E-MAIL

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: EB-2015-0051 – Algoma Power Inc.  
Vulnerable Energy Consumers Coalition (VECC) Interrogatories**

Please find enclosed the interrogatories of VECC in the above-noted proceeding.

Thank you.

Yours truly,

A handwritten signature in black ink, appearing to be 'Michael Janigan', written in a cursive style.

Michael Janigan  
Counsel for VECC

Cc: Algoma Power Inc.

**Algoma Power Inc.**

**Application for electricity distribution rates and other charges  
effective January 1, 2016.**

**VECC Interrogatories**

Question #1

**Ref:** Page 15 Decoupling

Preamble: Algoma indicates that in order to comply with the Board Policy and after discussion with Board Staff, the agreed approach to decoupling of residential, non-seasonal customer's electricity distribution rates at API is to create a sub-class of generic residential customers within API's Residential R1 customer class. API will maintain the complete Residential R1 class for the purposes of rate design and revenue to cost ratios. API requests that the Board opine on this segregation within the Residential R1 customer class.

- a) Please explain further what Algoma is asking the Board to opine on. Is there another decoupling proposal the Board should consider?
- b) Please discuss any alternative approaches to decoupling considered by Algoma.
- c) Please discuss any alternative approaches to decoupling put forward by Board Staff.
- d) For parts b) & c) please indicate why the alternative approaches were not selected by Algoma.
- e) Please provide the basis for the selected approach.

Question #2

**Ref 1:** Page 11, Table 3

**Ref 2:** Page 16, Table 11

Preamble: At the first reference Table 3 shows the number of customers, 8,496, as Average Number of Customers for Residential – R1. At the second reference at Table 11, the number of Residential R1 Customers is also 8,496, but the column heading is Average for 2013.

- a) Please reconcile/confirm the basis for the number of customers for the Residential R1 rate class. Please show how the number of customers was derived.
- b) At the second reference, for the split between Residential and Non-Residential customer numbers, Average for 2013 is shown as the column heading. Is this correct? Please confirm the basis for the customer counts split between Residential and Non-Residential customers.
- c) Please explain why the approved Test Year 2015 normalized customer count information (EB-2014-0055) is not used for each customer class.
- d) At Table 3 and Table 11, please confirm the consumption information (kWh and kW) reflects approved 2015 Test Year data.

### Question #3

**Ref:** Application, Page 50 of PDF

Preamble: The chart on Page 50 provides customer and load forecast information (EB-2014-0055) for the years 2010 to 2015.

- a) Please confirm the information for 2014 reflects 2014 Actuals. If not, please provide 2014 actuals.

### Question #4

**Ref 1:** Page 16

**Ref 2:** Filing Requirements For Electricity Distribution Rate Applications - 2015 Edition for 2016 Rate Applications - Chapter 3 Incentive Rate-Setting Applications July 16, 2015, Page 9, Section 3.2.3 Rate Design For Residential Electricity Customers

Preamble: At reference 1, Algoma indicates that in order to reach a 100% fixed rate over 4 years, an annual change in the fixed component is \$7.35. Algoma has proposed to cap the change at \$4.00 in 2016.

The Chapter 3 Filing Guidelines state at page 9, "In the event that the monthly service charge would have to rise more than \$4 per year in order to effect this change, distributors shall apply to extend the transition period. It is expected that in most cases, only a fifth transition year would be required to make the changes within the \$4 impact threshold identified in the policy. A distributor shall propose an alternative or additional strategy in the event that an additional transition year is insufficient. Consistent with OEB policy regarding mitigation, a distributor may propose as part of its application that no extension is necessary; such a position must be substantiated with reasons."

- a) Please discuss Algoma's strategy for future years to transition to a 100% fixed rate.

b) Why has Algoma not applied in this application for an extension to the transition period?

Question #5

**Ref:** Page 22

Preamble: Algoma indicates that the total bill impact for a RPP residential customer consuming 320 kWh is 6.9%. VECC is unable to locate the bill impact sheet generated by the 2016 Bill Impact Model provided in Schedule E for a residential customer consuming 320 kWh.

a) Please provide Appendix 2-W for a residential customer consuming 320 kWh.

b) VECC notes the bill impact calculations (Schedule E) assume no Debt Retirement Charge or Ontario Clean Energy Benefit (OCEB) in 2015 or 2016 and do not address the anticipated Ontario Energy Support Program (OESP) charge. Please re-do the Appendix 2-W calculations (including Residential at 320 kWh) with the following:

- retain the Debt Retirement Charge for 2015 and remove for 2016;
- retain the OCEB for 2015 but remove for 2016; and
- include the planned OESP charge for 2016.