



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

DECISION AND ORDER

EB-2018-0136

ALGOMA POWER INC.

An order for the extension of an interim distribution licence issued in relation to the operation of the distribution assets in the Township of Dubreuilville.

DUBREUIL LUMBER INC.

An order requiring Dubreuil Lumber Inc. to surrender possession and control of the electricity distribution system in the Township of Dubreuilville to Algoma Power Inc.

By delegation before: Brian Hewson

Vice President, Consumer Protection &
Industry Performance

April 3, 2018

DECISION AND ORDER

On April 4, 2017 the Ontario Energy Board (OEB) issued a Decision and Order (the Order) requiring Algoma Power Inc. (Algoma Power) to take possession and control of the distribution system assets owned by Dubreuil Lumber Inc. (DLI) in the Township of Dubreuilville. The Order also authorized the issuance of interim electricity distribution licence #ED-2017-0153 (the Interim Licence) to Algoma Power for the purpose of operating DLI's distribution assets. In accordance with the Order, Algoma Power filed a notice of transition on April 26, 2017 confirming that it had taken possession and control of the DLI distribution system and began serving the customers of DLI.

The Order and Interim Licence were issued under sections 59.(1) and 59.(2) of the *Ontario Energy Board Act, 1998* (OEB Act). A licence issued under these sections may not exceed a term of six months, unless it is extended by the OEB. The OEB hereby extends the Interim Licence from its current expiry date of April 3, 2018 for a further six months.

This Decision and Order is being issued by Delegated Authority without a hearing, pursuant to section 6 of the OEB Act.

On March 28, 2018, Algoma Power provided the OEB with a written update on the status of its operations under the interim licence and negotiations with DLI. As stated in the letter, Algoma Power continues to be engaged in commercial discussions with DLI regarding the potential acquisition by Algoma Power of DLI's distribution system. Once an agreement with DLI is reached, the parties would file a MAADs application to include the Township of Dubreuilville in Algoma Power's service territory. Algoma Power also stated that it continues to operate DLI's distribution system and manage issues associated with its operations in accordance with the terms of its interim licence.

As no long-term solution has yet been brought forward, the OEB finds it necessary to extend the term of Algoma Power's interim licence to ensure the continuity of reliable electricity supply to consumers in the Township of Dubreuilville.

As DLI remains the owner of its distribution assets, the OEB requires that DLI shall, by April 26, 2018, either have renewed its licence or disposed of its ownership interest in the distribution system (whether through a sale or other transfer of its assets) to another licensed electricity distributor.

The OEB is of the view that it is in the public interest to have a viable and committed owner and operator of the distribution system for the Township of Dubreuilville. The OEB looks forward to further updates from both Algoma Power and DLI regarding the progress towards achieving a long-term solution.

IT IS ORDERED THAT:

1. Algoma Power Inc. shall continue to:
 - a. Comply with the interim distribution licence shown in Appendix A, which authorizes Algoma Power Inc. to remain in possession and control of the electricity distribution system owned and operated by Dubreuil Lumber Inc.
 - b. Collect revenue from customers within the service area of Dubreuil Lumber Inc. based on the charges that are currently applied by Dubreuil Lumber Inc.
 - c. Record revenues collected from customers within the service area of Dubreuil Lumber Inc. and the costs of operation and maintenance of the system in a deferral account under the Uniform System of Accounts.
 - d. Provide the OEB with a report on the amounts in the deferral account referred to in paragraph c.
2. Dubreuil Lumber Inc. shall continue to:
 - a. Surrender possession and control of its distribution system business including its distribution assets to Algoma Power Inc.
 - b. Not be entitled to any compensation from the Crown, the OEB or any person for being required to surrender possession and control of its distribution assets and business.
 - c. Continue to be responsible for meeting all requirements under its current licence until the transfer is complete.
3. The term of the interim electricity distribution licence is extended for period of six months to October 3, 2018.

DATED at Toronto April 3, 2018

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance