



October 2, 2018

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

Dear Ms. Walli:

Re: Dubreuil Lumber Inc. and Algoma Power Inc. - Application for Leave to Sell Distribution System and Related Matters (EB-2018-0271)

Further to the above-referenced application, which was filed September 24, 2018, and in response to a request from OEB Staff, API has filed the following three live Microsoft Excel models through the Board's Regulatory Electronic Submission System (RESS):

1. API_DLI_Model_Rate_Rider_Calc_20181002.XLSM ("Model #1")
2. API_DLI_Model_Rate_Rider_Calc_Stand-Alone_20181002.XLSM ("Model #2")
3. API_DLI_Model_Bill_Impact_Calculations_20181002.XLSX ("Model #3")

Model #1 supports the calculation of the proposed rate rider of \$11.16 per customer, per month, as described in Exhibit F, Tab 3, Schedule 1.

Model #2 is similar to Model #1, but calculates a rate rider of \$27.72 in the context of API continuing to operate DLI as a stand-alone entity. Model #2 accounts for (a) higher net OM&A costs, which results from there being less offsetting revenue in the deferral account for 2019 due to DLI customers not being moved to API rates; and (b) the costs of amortization and return on capital related to 2017-2019 investments in the DLI system, which are included beyond the date of API's next rebasing.

Model #3 supports the bill impact calculations provided in Appendix B of Exhibit F, Tab 2, Schedule 1.

If you have any questions, please do not hesitate to contact me at the number shown below.

Yours Truly,

A handwritten signature in blue ink, appearing to read "Greg Beharriell", is written over a horizontal line.

Greg Beharriell
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