

May 17, 2019

RESS & COURIER

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

Attention: Ms. K. Walli, Board Secretary

Dear Ms. Walli:

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

We are legal counsel to Algoma Power Inc. (API), which together with Dubreuil Lumber Inc. (DLI) is the applicant in the above-referenced proceeding. On April 4, 2019 the Ontario Energy Board (the “Board”) issued its Decision and Order in the proceeding. In accordance with the Decision and Order, on April 18, 2019 API filed its Draft Rate Order, along with a revised draft accounting order for the Transaction and Integration Costs Deferral Account (the “DRO”). On May 3, 2019 OEB staff filed submissions on the DRO. Enclosed please find API’s DRO Reply Submissions. These materials have been filed electronically on the Board’s Regulatory Electronic Submission System and served on all parties.

Yours truly,



Jonathan Myers

cc: Mr. Ken Buchanan, DLI
Mr. Greg Beharriell, API
Mr. Craig David, API
Mr. Charles Keizer, Torys LLP

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, C.S.O. 1998, c.15 (Sched. B) (the “Act”);

AND IN THE MATTER OF an application by Dubreuil Lumber Inc. (“DLI”) for an Order, pursuant to subsection 86(1)(a) of the Act, granting leave to sell its electricity distribution system in the Township of Dubreuilville, substantially in its entirety, to Algoma Power Inc. (“API”);

AND IN THE MATTER OF an application by API for Orders, pursuant to subsection 78(2) of the Act, approving the disposition of the balance in its Interim Distribution Licence Deferral Account established in EB-2017-0153, authorizing the establishment of a new deferral account to record transaction and integration costs incurred in connection with the transaction, determining that the acquired DLI customers shall be classified under its existing rate classes and billed its existing approved rates, and endorsing API’s proposed approach to the future allocation of costs attributable to the DLI service area;

AND IN THE MATTER OF applications by DLI and API for Orders, pursuant to subsections 77(5) and 74(1)(b) of the Act, cancelling DLI’s distribution licence (ED-2012-0074) and API’s interim distribution licence (ED-2017-0153), and amending API’s distribution licence (ED-2009-0072) to include the Township of Dubreuilville in its service territory.

REPLY SUBMISSIONS ON DRAFT RATE ORDER

ALGOMA POWER INC.

May 17, 2019

A. INTRODUCTION

Dubreuil Lumber Inc. ("DLI") and Algoma Power Inc. ("API") (together the "Applicants") applied to the Ontario Energy Board (the "OEB") on September 24, 2018 for approvals in connection with API's planned purchase of DLI's electricity distribution system in the Township of Dubreuilville (the "Township") and the incorporation of that system into API's regulated distribution business (the "Application"). In addition to seeking approval for the transaction, the Applicants sought relief for related aspects, such as cost recovery, rate treatment and licensing matters. The OEB issued its Decision and Order on April 4, 2019 (the "Decision"), in accordance with which API filed a draft rate order, including related information and submissions, on April 18, 2019 (the "DRO"). OEB staff filed submissions on the DRO on May 3, 2019. The following are API's reply submissions.

As explained in the DRO, the OEB's decision to establish an effective date of September 24, 2018 for the Transition and Integration Costs Deferral Account (the "TICDA") raised issues for several aspects of the DRO and required API to interpret certain aspects of the Decision in order to put forth its proposal for implementing its understanding of the Decision. API also noted that the manner in which the Decision is interpreted has implications for its rate application, which is being filed concurrently with these reply submissions on May 17, 2019 in EB-2019-0019 (the "Rate Application"). The DRO therefore included discussion of the implications of the OEB's decision regarding the effective date for the TICDA (i) for API's proposal to transfer approximately \$383K from the Interim Licence Deferral Account ("ILDA") to the TICDA, and (ii) for API's proposal to record all transaction costs incurred in relation to the acquisition of the DLI distribution system in the TICDA, including those incurred prior to the account's effective date. The DRO also included API's rate proposals, analysis of bill impacts, discussion of rate mitigation and a revised draft Accounting Order. OEB staff's submissions on these aspects are considered below.

B. PROPOSED TRANSFER OF \$383K

In Part B of the DRO, API explained that the Decision made no express findings regarding its proposed transfer of approximately \$383K from the ILDA to the TICDA (which amount reflects 50% of the 2017 non-capital costs and a number of one-time costs described in the Application) for disposal as part of API's Rate Application, and that the implications of the OEB's decision to

establish a September 24, 2018 effective date for the TICDA were unclear given that some of the amounts comprising the \$383K were incurred prior to such effective date. Despite API's detailed discussion on this primary area of concern, OEB staff made no submissions on this issue or on API's proposed interpretation of the Decision in relation to the ability to transfer this amount. As OEB staff has not made submissions on or expressed any concerns with API's proposed interpretation of the Decision in relation to the ability to transfer the approximately \$383K from the ILDA to the TICDA, API submits that its proposed interpretation is reasonable and should be accepted. In particular, as explained in Part B, Section 3 of the DRO, API describes its interpretation of this aspect of the Decision as follows:

With a view to minimizing the uncertainty and complexity caused by the decision regarding the effective date for the Transaction and Integration Costs Deferral Account, API has applied its interpretation of the Decision that, notwithstanding the effective date of the account being September 24, 2018, and that some of the underlying amounts were incurred prior to this effective date, since the \$383K is already recorded in the Interim Licence Deferral Account the transfer does not amount to a retroactive adjustment and therefore does not offend the rationale given for the OEB's decision on the effective date. On this basis, it is API's understanding that the \$383K may be transferred from one account to the other in its entirety and that its ability to effect this transfer is not limited by the OEB's designation of September 24, 2018 as the effective date for the Transaction and Integration Costs Deferral Account. In its upcoming rebasing application, API will propose to recover that amount, together with any other costs in the Transaction and Integration Costs Deferral Account, by including 20% of the balance at that time in API's 2020 test year revenue requirement, such that the full amount could be recovered over the five-year period comprising the 2020 Test Year and the 2021-2024 IRM period.¹

C. TRANSACTION COSTS

In Part C of the DRO, API considers the implications of the OEB's findings on the effective date of the TICDA for API's proposal to record all transaction costs incurred in relation to the acquisition of the DLI distribution system in the TICDA. In particular, API explained that there is a question as to how API's transaction costs are to be treated as a result of (i) the OEB's approval of the TICDA, (ii) its finding that in the unique circumstances of the Application it is appropriate

¹ DRO, p. 5.

for API to recover its reasonable transaction and integration costs, (iii) its decision to establish September 24, 2018 as the effective date for the TICDA, and (iv) the fact that API has to date recorded such amounts in the ILDA (some of which were incurred prior to September 24, 2018). Although it is clear from the Decision that transaction costs incurred from September 24, 2018 onward (as well as interim operation costs recorded in the ILDA) may be transferred from the ILDA and recorded in the TICDA, it is not clear from the Decision as to how the approximately \$71K of transaction costs incurred by API prior to September 24, 2018 is to be treated. As noted in API's DRO submissions, while this uncertainty does not affect the rate proposals or draft accounting order in this proceeding, it does affect the amounts that API will seek to clear from the TICDA in its Rate Application. The treatment of this \$71K portion of API's transaction costs is the primary focus in OEB staff's submissions.

In its DRO submissions, API explained that all of its transaction costs, including those incurred prior to September 24, 2018, were incurred in good faith in response to the OEB's encouragement to find a long-term solution to the ownership and operation of the DLI system, which the OEB indicated was in the public interest. Moreover, API noted that because the TICDA had not yet been established, it recorded its transaction costs in the ILDA with the intention of transferring such amounts to the TICDA upon receiving approval to establish the latter account. As the \$71K is already recorded in the ILDA, it is API's view that the transfer of this amount to the TICDA would not offend the OEB's general concern with retroactivity that prompted its decision on the effective date of the TICDA, and that it is consistent with the OEB's finding that it is appropriate for API to be able to recover its reasonable transaction costs through the use of a deferral account in the unique circumstances of the Application. API has therefore proposed to record the \$71K of pre-September 24, 2018 transaction costs (along with all post-September 24, 2018 transaction costs and the \$383K of non-capital and one-time costs discussed in the previous section, for a total of approximately \$551K subject to various adjustments) in the TICDA.

OEB staff, in its DRO submissions, acknowledges the need for clarification on the status of the pre-September 24, 2018 transaction costs.² OEB staff comments that, in the absence of a motion

² OEB Staff, DRO Submissions, p. 6.

on the part of API for the OEB to review and vary its decision, there are three paths that could be taken. Before considering and responding to each of the three potential approaches identified by OEB staff, API wishes to note that it considered the option of filing a motion to review and vary the decision on the effective date of the TICDA. Although API was of the view that there was a reasonable basis for such a motion, it decided not to file a motion due to the quantum at issue relative to the regulatory costs of bringing a motion, the timing implications of a motion relative to the timing of API's Rate Application that would be affected by the outcome of such motion, and its expectation that it would be more efficient to address this issue through the DRO process, particularly since there are no intervenors in the proceeding.

The first potential approach that OEB staff identified would be for the OEB to confirm that its intention was to deny API the opportunity to recover its \$71K of pre-September 24, 2018 transaction costs. Although OEB staff states that API would "remove the transaction costs in finalizing this Rate Order" to give effect to this approach, API clarifies that to give effect to this approach it would remove the \$71K from the balance in the ILDA and refrain from recording such amount in the TICDA. In API's view, the OEB should reject this approach because it is not appropriate for API's shareholders to bear the pre-September 24, 2018 transaction costs. It appears that OEB staff shares this view. As explained on pp. 4-5 of OEB staff's DRO submissions, utilities are typically provided with an opportunity to recover their reasonable regulatory and transaction costs from ratepayers and the unique circumstances of the Application do not suggest that API should be precluded from having this opportunity. Moreover, as explained on p. 9 of API's DRO submissions, API started to incur transaction costs as a result of having been appointed by the OEB as interim operator of the DLI system, for which no other potential purchaser was identified. The OEB was aware that API promptly engaged in commercial discussions with DLI and it was supportive of and encouraged these efforts to achieve a long term solution to the public interest objective of having a viable and committed owner and operator of the DLI system. As noted by OEB staff at p. 7 of its DRO submissions, API's shareholders did not cause and will not benefit in any material way from the incurrence of these costs.

The second approach identified by OEB staff would be for the OEB to seek further submissions from parties as to the nature and scope of the ILDA and the nature and scope of the operational and transaction costs incurred prior to September 24, 2018, following which the OEB could issue a supplemental decision before issuing the final rate order. In API's view, the OEB should reject this approach because it would give rise to delays that would affect API's Rate Application. Moreover, API can offer some clarity on these matters in the present reply submissions, as follows.

The ILDA was established by item 1(c) of the OEB's April 4, 2017 Decision and Order in EB-2017-0153. That Order simply stated that API shall "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." In making the Order, the possibility of API incurring transaction costs in connection with the future acquisition of the DLI system was not anticipated by the OEB, nor was this a consideration of API at the time. However, OEB staff in its DRO submissions notes that the OEB in the present proceeding did not find that the transaction costs that API has recorded in the ILDA are beyond the scope of the purpose of that account.³ In addition, OEB staff in its DRO submissions argues that "a finding that pre-September 24, 2018 costs would be non-recoverable based on the fact that API did not request a dedicated account for transaction costs effective April 4, 2017, imposes these costs on API's shareholder and perhaps its legacy ratepayers even though these are not the parties that 'caused' or 'benefit' (in any material way) from the incurrence of these costs."

Regarding the nature of the transaction costs incurred prior to September 24, 2018, API can advise that the \$71K relates to legal costs incurred in connection with the transaction and the regulatory costs relating to the Application. These include approximately \$43,000 in 2018 for legal costs relating to the transaction (i.e. providing advice in connection with the transaction and preparing the purchase agreement), approximately \$35,000 of which was incurred prior to September 24, 2018, and approximately \$55,000 in 2018 for regulatory costs relating to the Application (i.e. the legal cost of developing and preparing the Application for filing), approximately \$36,000 of which was incurred prior to September 24, 2018. As such, API incurred a total of approximately \$71,000

³ OEB Staff, DRO Submissions, p. 5.

in legal costs in connection with the transaction and the Application prior to September 24, 2018. API incurred other costs, including legal costs, prior to September 24, 2018 which were related to operational matters arising from API's interim operation of the DLI system during that period. However, those amounts, which are not at issue, are included in the approximately \$383K portion of the ILDA balance which API proposes to transfer to the TICDA (discussed in the section above).

The third potential approach identified by OEB staff would be for the OEB, for purposes of finalizing the rate order, to treat all transaction-related costs, including those incurred prior to September 24, 2018, similarly to the operation and maintenance costs that API incurred to fulfil its obligations to operate DLI's system on an interim basis under the April 4, 2017 order in EB-2017-0153. API understands that this would enable API to transfer from the ILDA and record in the TICDA all of its transaction-related costs, including regulatory costs incurred in connection with the Application, from both before and after September 24, 2018, so that the prudence of and API's ability to recover such amounts could be tested and determined in API's 2020 cost of service rate proceeding. API considers this to be its preferred approach and notes that it is consistent with API's approach, explained in Part F, Section 2 of the DRO, of requesting in its Rate Application that the OEB address this and related matters as preliminary issues in that proceeding.

D. BILL IMPACTS, RATE PROPOSALS AND OTHER MATTERS

API notes that OEB staff supports all aspects of the DRO relating to bill impacts, rate proposals, mitigation, the proposed tariff schedule and the draft accounting order. In particular, OEB staff:

- agrees that it was reasonable for API to provide three different bill impact scenarios and is of the view that API complied with the OEB's directions in respect of bill impacts;⁴
- supports API's proposal for a fixed rate rider of \$11.16/month for six years to be charged to all acquired DLI customers, which it submits is the most reasonable approach, rather than the alternative of a variable (per kWh) rate rider or no rate rider;⁵

⁴ OEB Staff, DRO Submissions, p. 9.

⁵ OEB Staff, DRO Submissions, p. 10.

- is of the view that API has made reasonable efforts to mitigate the impact on residential and GS customers in the Township and to explain the impacts, and that it has addressed the OEB's direction in respect of addressing mitigation;⁶
- is of the view that the proposed Tariff of Rates and Charges is consistent with the 2019 Decision and Rate Order and with the OEB's findings in the present proceeding, but recommended a minor change to the header on the Tariff to reflect two prior proceeding numbers.⁷ A revised Tariff of Rates and Charges reflecting this minor change is included in **Appendix 'A'**; and
- is of the view that, subject to its findings on API's proposals with respect to the ILDA and TICDA, the Draft Accounting Order is reasonable and compliant with the Decisions.⁸

Based on the foregoing, API submits that the OEB should approve the DRO, including the revised Tariff of Rates and Charges appended hereto and the Draft Accounting Order for the TICDA. In addition, the OEB should confirm API's proposals to (i) transfer the \$383K portion of the balance of the ILDA to the TICDA, and (ii) transfer from the ILDA and record in the TICDA all transaction and integration costs including the approximately \$71K of transaction and regulatory costs incurred prior to the September 24, 2018 effective date that has been established for the TICDA.

All of which is respectfully submitted this 17th day of May, 2019.

ALGOMA POWER INC.

By its Counsel, Torys LLP



Jonathan Myers

⁶ OEB Staff, DRO Submissions, p. 11-12.

⁷ OEB Staff, DRO, Submissions, p. 12-13.

⁸ OEB Staff, DRO, Submissions, p. 13.

APPENDIX 'A'

Tariff of Rates and Charges (Revised)

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2019
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2018-0017; EB-2018-0271

RESIDENTIAL R1 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.

This application 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. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Condition 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge - Applicable only to customers that meet criteria (i) above	\$	42.23
Service Charge - Applicable only to customers that meet criteria (ii) above	\$	25.64
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.57
Rate Rider for Partial Disposition of Interim Licence Deferral Account - effective until December 31, 2024		
Applicable only for customers in the Township of Dubreuilville	\$	11.16
Distribution Volumetric Rate - Applicable only to customers that meet criteria (i) above	\$/kWh	0.0172
Distribution Volumetric Rate - Applicable only to customers that meet criteria (ii) above	\$/kWh	0.0361
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019		
Applicable only for Non-RPP Customers	\$/kWh	(0.0078)
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019	\$/kWh	(0.0011)
Rate Rider for Disposition of Accounts 1575 & 1576 - effective until December 31, 2019	\$/kWh	(0.0019)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0060

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2019
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EB-2018-0017; EB-2018-0271

RESIDENTIAL R2 SERVICE CLASSIFICATION

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. Class A and Class B consumers are defined in accordance with O. Reg. 429/04. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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.

The rate rider for the disposition of WMS – Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	659.94
Rate Rider for Partial Disposition of Interim Licence Deferral Account - effective until December 31, 2024 Applicable only for customers in the Township of Dubreuilville	\$	11.16
Distribution Volumetric Rate	\$/kW	3.4194
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019 Applicable only for Non-RPP Customers	\$/kWh	(0.0078)
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019	\$/kW	(0.4880)
Rate Rider for Disposition of Accounts 1575 & 1576 - effective until December 31, 2019	\$/kW	(0.8010)
Retail Transmission Rate - Network Service Rate	\$/kW	2.5066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2787

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2019
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EB-2018-0017; EB-2018-0271

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. Class B consumers are defined in accordance with O. Reg. 429. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	54.75
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.57
Distribution Volumetric Rate	\$/kWh	0.1494
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019		
Applicable only for Non-RPP Customers	\$/kWh	(0.0078)
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019	\$/kWh	(0.0012)
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)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0060

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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EB-2018-0017; EB-2018-0271

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 Ontario Energy Board street lighting load shape template. Class B consumers are defined in accordance with O. Reg. 429. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.05
Distribution Volumetric Rate	\$/kWh	0.3310
Rate Rider for Disposition of Global Adjustment Account (2019) - effective until December 31, 2019		
Applicable only for Non-RPP Customers	\$/kWh	(0.0078)
Rate Rider for Disposition of Deferral/Variance Accounts (2019) - effective until December 31, 2019	\$/kWh	(0.0011)
Rate Rider for Disposition of Accounts 1575 & 1576 - effective until December 31, 2019	\$/kWh	(0.0019)
Retail Transmission Rate - Network Service Rate	\$/kW	1.8150
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6438

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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EB-2018-0017; EB-2018-0271

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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 Ontario Energy Board, and amendments thereto as approved by the Ontario Energy 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.

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 Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment, and the HST.

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 & energy	%	(1.00)

SPECIFIC SERVICE CHARGES

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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 (plus bank charges)	\$	15.00
Charge to certify cheque	\$	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 at meter - during regular hours	\$	65.00
Disconnect/reconnect at meter - after regular hours	\$	185.00
Disconnect/reconnect 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 - per pole/year (with the exception of wireless attachments)	\$	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)

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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.

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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.

	\$	100.00
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer		
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

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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