

**BY EMAIL**

August 20, 2019

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

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Algoma Power Inc. (Algoma Power)  
Application for 2020 Electricity Distribution Rates  
OEB Staff Submission  
Ontario Energy Board File Number: EB-2019-0019**

In accordance with Procedural Order No. 1, OEB staff advises the OEB that parties have come to an agreement regarding an issues list for Algoma Power's 2020 distribution rate application. The proposed issues list is attached.

Yours truly,

*Original Signed By*

Birgit Armstrong  
Project Advisor - Major Applications

Attach.

Encl.

**PROPOSED ISSUES LIST**  
**EB-2019-0019**  
**Algoma Power Inc.**

## **1.0 PLANNING**

### **1.1 Capital**

Is the level of planned capital expenditures appropriate and is the rationale for planning and pacing choices appropriate and adequately explained, giving due consideration to:

- customer feedback and preferences
- productivity
- benchmarking of costs
- reliability and service quality
- impact on distribution rates
- trade-offs with OM&A spending
- government-mandated obligations
- the objectives of API and its customers
- the distribution system plan
- the business plan

### **1.2 OM&A**

Is the level of planned OM&A expenditures appropriate and is the rationale for planning choices appropriate and adequately explained, giving due consideration to:

- customer feedback and preferences
- productivity
- benchmarking of costs
- reliability and service quality
- impact on distribution rates
- trade-offs with capital spending
- government-mandated obligations
- the objectives of API and its customers
- the distribution system plan
- the business plan
- affiliate relationships and shared services

### **1.3 Shared Service and Corporate Cost Allocation**

Is the proposed corporate cost allocation methodology and the quantum for shared service appropriate?

## **2.0 REVENUE REQUIREMENT**

- 2.1** Are all elements of the revenue requirement reasonable, and have they been appropriately determined in accordance with OEB policies and practices?
- 2.2** Has the revenue requirement been accurately determined based on these elements?

## **3.0 LOAD FORECAST, COST ALLOCATION AND RATE DESIGN**

- 3.1** Are the proposed load and customer forecast, loss factors, CDM adjustments and resulting billing determinants appropriate, and, to the extent applicable, are they an appropriate reflection of the energy and demand requirements of API's customers?
- 3.2** Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 3.3** Is API's methodology for allocating costs attributable to the Dubreuilville service area appropriate?
- 3.4** Are API's proposals for rate design appropriate?
- 3.5** Is API's proposal for RRRP funding appropriate?
- 3.6** Are the proposed Retail Transmission Service Rates appropriate?

## **4.0 ACCOUNTING**

- 4.1** Have all impacts of any changes in accounting standards, policies, estimates and adjustments been properly identified and recorded, and is the rate-making treatment of each of these impacts appropriate?
- 4.2** Are API's proposals for deferral and variance accounts, including the balances in the existing accounts and their disposition, requests for new accounts and the continuation of existing accounts, appropriate?
- 4.3** Is API's proposal for disposition of the Interim Licence Deferral Account and the Transaction and Integration Cost Deferral Account, including the balances and cost recovery mechanism appropriate?

## **5.0 OTHER**

- 5.1** Is the microFIT monthly service charge appropriate?
- 5.2** Are the Specific Service Charges appropriate?

- 5.3** Is the proposal for an Advanced Capital Module for the Echo River TS appropriate, and does the proposal include sufficient justification and cost estimates to show need and prudence?
- 5.4** Is the proposal for an Advanced Capital Module for the Sault Ste. Marie facility appropriate, and does the proposal include sufficient justification and cost estimates to show need and prudence?
- 5.5** Is API's proposal for alternate funding treatment for ACM projects, under the RRRP framework, appropriate?
- 5.6** Is the proposed effective date (i.e. January 1, 2020) for 2020 rates appropriate?