



November 12, 2020

Ms. Christine E. Long
Registrar
Ontario Energy Board
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: EB-2020-0003 Algoma Power Inc. ("API") 2021 IRM Application
Responses to Supplemental Questions from OEB Staff**

Please find attached API's responses to supplemental questions received from OEB Staff in the above-referenced proceeding.

Copies of the attached responses have also been provided to API's case manager.

Please direct any questions or concerns to the undersigned.

Sincerely,

Greg Beharriell, P.Eng.
Manager, Regulatory Affairs
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Encl.

cc: Birgit Armstrong (OEB Staff)

Staff Follow-Up Question -1
Ref: Staff Question #3

In response to staff question #3, Algoma Power identified differences in RPP settlement approach between Algoma Power's Pre-2019 1588/1589 Settlement Process and the 2019 accounting guidance for accounts 1588 and 1589. Algoma Power also quantified a summary of adjustments to accounts 1588 and 1589 due to the differences in approach. Of the three differences noted, the first difference should not result in an impact to account balances but only a difference in how entries are recorded. The second and third differences impact the RPP settlement and would impact the balance in Account 1588. Algoma Power has also quantified an impact to Account 1589.

- a) Please explain whether the impact to Account 1589 is due to a reallocation of charge type 148 as the GA component in the RPP settlement was different.
- b) If not, please explain the reason for the impact to Account 1589.

API Response:

a) b)

The first and third differences outlined in the comparison of RPP settlements approach between API's Pre-2019 1588/1589 Settlement Process and the 2019 accounting guidance for accounts 1588 and 1589, will have an impact on both accounts 1589 and 1588.

As outlined in API's response, both the Pre-2019 Class B RPP Global Adjustment portion in CT 148 and the Pre-2019 RPP GA amounts reflected in CT 142/1142 were posted to account 1589; as opposed to 1588. The difference between the RPP allocation of CT 148 and the GA component from the RPP settlement process (CT 142/1142) has been captured in the calculation of the impact to Pre-2019 account 1589.

The Pre-2019 RPP settlement GA calculation was based on the billed loss adjusted kWhs, with no reconciliation of RPP and non-RPP consumption to total system load; therefore, any RPP GA differences resulting from this methodology were posted to 1589, as opposed to 1588.

Staff Follow-Up Question -2

Ref: Staff Question #6

Regarding staff question 6, it states that the microFit true-up related to the calculation of CT 148. Please explain whether this resulted in charge type 2148 in the IESO invoice. If not, please further clarify how this is different in nature than charge type 2148.

API Response:

The embedded generation consumption associated with this true-up should have been reflected as a prior period adjustment, however was included in the preliminary settlement submission of the embedded generation form. The 2018 microFIT true-up relates to a Class B Global Adjustment prior period correction, which should be reflected in CT 2148, however based on the 2019 embedded generation submission it was included in the calculation of CT 148.