



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

DECISION AND RATE ORDER

EB-2023-0005

ALGOMA POWER INC.

Application for rates and other charges to be effective
January 1, 2024

BY DELEGATION, BEFORE:

Ceiran Bishop
Director
Critical Initiatives

Month XX, 20XX

1. OVERVIEW

The Ontario Energy Board is approving changes to the rates that Algoma Power Inc. (Algoma Power) charges to distribute electricity to its customers, effective January 1, 2024.

As a result of this Decision, there will be a monthly total bill increase of \$0.57 for a residential customer consuming 750 kWh. This change does not factor in applicable taxes or the Ontario Electricity Rebate but includes impacts resulting from the Distribution Rate Protection program. The applicant is one of eight electricity distributors in Ontario to which this tax-funded program applies. The program has been in effect since July 2017, and currently caps monthly distribution charges at \$39.49.¹

There is an additional adjustment to rates related to the funding provided to eligible customers of Algoma Power for rural or remote electricity rate protection (RRRP).² For 2024, RRRP funding of \$17,174,943 will be provided to Algoma Power so that the rates which apply to Algoma Power's Residential - R1 (i), Residential - R1 (ii)³ and Residential - R2 customers are set lower than they otherwise would have been.

The OEB is also approving Algoma Power's request to change the composition of its distribution service rates. Algoma Power's distribution service rates for its seasonal rate class have historically included a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed rate structure over a four-year period beginning in 2016.⁴ Algoma Power, however, required a transition period of greater than four years. This is the ninth year of the transition period for Algoma Power's seasonal customer rate class. The monthly fixed rate portion of seasonal customer rates has increased, and the variable usage rate has decreased. This rate change does not affect the total revenue that Algoma Power collects from its residential customers.

¹ Decision and Order, EB-2023-0119, May 30, 2023

² The setting of rates for Algoma Power's Residential R-1 and R-2 classes is subject to subsections 4(3.1) and 4(3.2) of Ontario Regulation 442/01 (Rural Or Remote Electricity Rate Protection) (RRRP Regulation), and Ontario Regulation 445/07 (Reclassifying Certain Classes Of Consumers As Residential-Rate Class Customers: Section 78 of the Act), each made under the *Ontario Energy Board Act, 1998*

³ Algoma Power's R1 class was segregated into residential (i) and non-residential (ii) sub-groups in the OEB's EB-2015-0051 proceeding.

⁴ OEB Policy – "[A New Distribution Rate Design for Residential Electricity Customers](#)." EB-2012-0410, April 2, 2015

2. CONTEXT AND PROCESS

Algoma Power filed its application on August 17, 2023 under section 78 of the *Ontario Energy Board Act, 1998* and in accordance with Chapter 3 of the OEB's [Filing Requirements for Incentive Rate-Setting Applications](#) (Filing Requirements). The application was based on the Price Cap Incentive Rate-setting (Price Cap IR) option, with a five-year term.

The Price Cap IR option is one of three incentive rate-setting mechanisms (IRM) approved by the OEB.⁵ It involves the setting of rates through a cost of service application in the first year and mechanistic price cap adjustments which may be approved through IRM applications in each of the ensuing adjustment years.

The OEB follows a standardized and streamlined process for processing IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes, as a placeholder, information from the distributor's past proceedings and annual reporting requirements. A distributor will then review, complete, and include the model with its application, and may update the model during the proceeding to make any necessary corrections or to incorporate new rate-setting parameters as they become available.

Algoma Power serves approximately 12,300 mostly residential and commercial electricity customers in the Algoma District of Ontario.

The application was supported by pre-filed written evidence and a completed Rate Generator Model and as required during the proceeding, Algoma Power updated and clarified the evidence.

⁵ Each of these options is explained in the OEB's [Handbook for Utility Rate Applications](#).

3. DECISION OUTLINE

Each of the following issues is addressed in this Decision, together with the OEB's findings.

- Annual Adjustment Mechanism
- Rural or Remote Electricity Rate Protection
- Retail Transmission Service Rates
- Group 1 Deferral and Variance Accounts
- Lost Revenue Adjustment Mechanism Variance Account
- Residential Rate Design

Instructions for implementing Algoma Power's new rates and charges are set out in the final section of this Decision.

This Decision does not address rates and charges approved by the OEB in prior proceedings, such as specific service charges⁶ and loss factors, which are out of the scope of an IRM proceeding and for which no further approvals are required to continue to include them on the distributor's Tariff of Rates and Charges.

⁶ Certain service charges are subject to annual inflationary adjustments to be determined by the OEB through a generic order. For example, the Decision and Order EB-2023-0193, issued September 26, 2023 established the adjustment for energy retailer service charges, effective January 1, 2024; and the Decision and Order EB-2023-0194, issued September 26, 2023, established the 2024 Wireline Pole Attachment Charge, effective January 1, 2024.

4. ANNUAL ADJUSTMENT MECHANISM

Algoma Power has applied to change its rates, effective January 1, 2024, based on a mechanistic rate adjustment using the OEB-approved **inflation minus X-factor** formula applicable to IRM applications. The adjustment applies to distribution rates (fixed and variable) uniformly across all customer classes.⁷

The components of the Price Cap adjustment formula applicable to Algoma Power are set out in the table below. Inserting these components into the formula results in a 4.20% increase to Algoma Power's rates: **4.20% = 4.80 - (0.00% + 0.60%)**.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation factor ⁸		4.80%
Less: X-factor	Productivity factor ⁹	0.00%
	Stretch factor (0.00% to 0.60%) ¹⁰	0.60%

An inflation factor of 4.80% applies to all IRM applications for the 2024 rate year. The X-factor is the sum of the productivity factor and the stretch factor. It is a productivity offset that varies among different groupings of distributors. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors with a tangible incentive to improve efficiency or else experience declining net income. The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all IRM applications for the 2024 rate year. The stretch factor component of the X-factor is one of five stretch factor groupings established by the OEB, ranging from 0.00% to 0.60%. The stretch factor assigned to any distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The stretch factor assigned to Algoma Power is 0.60%, resulting in a rate adjustment of 4.20%.

⁷ The adjustment does not apply to delivery rates: rate riders, rate adders, low voltage service charges, retail transmission service rates, wholesale market service rate, smart metering entity charges, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges other than the Wireline Pole Attachment charge, and the microFIT charge.

⁸ [OEB Letter, 2024 Inflation Parameters, issued June 29, 2023](#)

⁹ Report of the Ontario Energy Board – “Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario’s Electricity Distributors” EB-2010-0379, December 4, 2013

¹⁰ Report to the Ontario Energy Board – “Empirical Research in Support of Incentive Rate-Setting: 2022 Benchmarking Update”, prepared by Pacific Economics Group LLC., July 2023

Findings

Algoma Power's request for a 4.20% rate adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Algoma Power's new rates shall be effective January 1, 2024.

DRAFT

5. RURAL OR REMOTE ELECTRICITY RATE PROTECTION (RRRP)

Under the RRRP Regulation, certain ratepayers in rural and remote areas of Ontario qualify for rate relief. This includes ratepayers in Algoma Power's R-1 and R-2 rate classes.

The RRRP funding to be provided to Algoma Power's eligible classes must be calculated in accordance with the regulation and with a method set out and followed in prior OEB decisions.¹¹ The method requires the determination of an RRRP adjustment factor equal to the simple average of change in base rates (i.e. monthly fixed charges and distribution volumetric rates) for Residential and GS<50 customer classes of each licensed distributor in the rate preceding year.

OEB staff calculated a RRRP adjustment factor of 3.54% to inflate Algoma Power's base rates for R-1 and R-2 class customers. The difference between Algoma Power's indexed revenue requirement for its R1 and R2 customer classes¹² and amounts recovered through its base rates for these classes after application of the RRRP adjustment factor is equal to \$17,174,943. The accuracy of that calculation and the resulting R-1 and R-2 rates has been reviewed and confirmed by Algoma Power.

Findings

The OEB has reviewed the methodology and calculations employed and approves the 3.54% adjustment factor and the resulting RRRP funding amount of \$17,174,943.

¹¹ EB-2009-0278, Decision and Order

¹² The revenue requirement used in this calculation includes the share of advanced capital module funding for the R1 and R2 classes as approved by the OEB as part of Algoma Power's 2020 cost of service proceeding, EB-2019-0019. See API_IRM_2024 Rate Design Model_20231023.xlsx

6. RETAIL TRANSMISSION SERVICE RATES (RTSRs)

Algoma Power's distribution system is directly connected to the provincial transmission system.

On September 28, 2023, the OEB announced preliminary Uniform Transmission Rates (UTRs) effective January 1, 2024.¹³ Algoma Power updated its RTSRs based on the preliminary UTRs. The OEB sets the UTRs based on the approved revenue requirements for multiple transmitters. Preliminary UTRs are based on those revenue requirements that have already been approved for 2024. These preliminary UTRs are to be used for the setting of RTSRs to minimize the accumulation of variances in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge). The cost consequences of any future adjustments to 2024 UTRs to reflect remaining approvals to a transmitter's revenue requirement will be tracked in these accounts and recovered over time.

To recover its cost of transmission services, Algoma Power requests approval to adjust the RTSRs that it charges its customers in accordance with the preliminary UTRs.

Findings

Algoma Power's proposed adjustment to its RTSRs is approved.

The RTSRs have been adjusted based on the preliminary UTRs.¹⁴

In the event that final UTRs differ from the preliminary UTRs, the resulting differences will be captured in Retail Settlement Variance Accounts 1584 (Retail Transmission Network Charge) and 1586 (Retail Transmission Connection Charge).

¹³ EB-2023-0222, OEB Letter "2024 Preliminary Uniform Transmission Rates", issued September 28, 2023

¹⁴ Ibid

7. GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts to determine whether those balances should be disposed of. OEB policy states that Group 1 account balances should be disposed of if they exceed, on a net basis (as a debit or credit), a pre-set disposition threshold of \$0.001 per kWh, unless a distributor justifies why balances should not be disposed of.¹⁵ If the net balance does not exceed the threshold, a distributor may still request disposition.¹⁶

The 2022 year-end net balance for Algoma Power's Group 1 accounts eligible for disposition, excluding Accounts 1588 and 1589 and including interest projected to December 31, 2023, is a debit of \$896,952 and pertains to variances accumulated during the 2022 calendar year. This amount represents a total claim of \$0.0035 per kWh, which exceeds the disposition threshold. Algoma Power has requested disposition of this amount over a one-year period.

Included in the Group 1 accounts are certain variances related to costs that are paid for by a distributor's customers on different bases, depending on their classification. Namely, "Class A" customers, who participate in the Industrial Conservation Initiative, pay for Global Adjustment (GA) charges based on their contribution to the five highest Ontario demand peaks over a 12-month period. "Class B" customers pay for GA charges based on their monthly consumption, either as a standalone charge or embedded in the Regulated Price Plan (RPP).¹⁷ A similar mechanism applies to Class A and Class B customers for Capacity Based Recovery (CBR) charges.¹⁸ The balance in the GA variance account is attributable to non-RPP Class B customers and is disposed of through a separate rate rider. The balance in the CBR Class B variance account is attributable to all Class B customers.

Algoma Power had one or more Class A customers during the period in which variances accumulated so it has applied to have the balance of the CBR Class B variance account disposed of through a separate rate rider for Class B customers to ensure proper allocation between Class A and Class B customers.

With respect to Accounts 1588 and 1589, the variances exceed the OEB's threshold of 1%. Algoma Power noted that it has been unable to identify the drivers of these

¹⁵ Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009

¹⁶ OEB letter, "Update to the Electricity Distributors' Deferral and Variance Account Review" (EDDVAR Report), released July 2009 (EB-2008-0246)", issued July 25, 2014

¹⁷ For additional details on the Global Adjustment charge, refer to the Independent Electricity System Operator (IESO)'s [website](#).

¹⁸ All Class B customers (RPP and non-RPP) pay the CBR as a separate charge based on their monthly consumption. For additional details on the CBR for Class A customers, refer to the IESO's [website](#).

variances and that it has engaged a third-party consulting firm to assist in this investigation.¹⁹ As a result, Algoma Power withdrew its request to dispose of Accounts 1588 and 1589 balances until it concludes its investigation of the drivers of the variances.²⁰

Findings

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements*.

The OEB approves the disposition of a debit balance of \$896,952 as of December 31, 2022, including interest projected to December 31, 2023, for Group 1 accounts, excluding Accounts 1588 and 1589, on a final basis.

Table 7.1 identifies the principal and interest amounts, which the OEB approves for disposition.

Table 7.1: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance (\$) A	Interest Balance (\$) B	Total Claim (\$) C=A+B
Smart Metering Entity Charge Variance Account	1551	(31,460)	(1,813)	(33,273)
RSVA - Wholesale Market Service Charge	1580	512,570	34,463	547,033
Variance WMS - Sub-account CBR Class B	1580	(30,294)	(2,231)	(32,525)
RSVA - Retail Transmission Network Charge	1584	209,329	14,769	224,098
RSVA - Retail Transmission Connection Charge	1586	179,894	11,725	191,619
Total for Group 1 accounts		840,039	56,913	896,952

¹⁹ EB-2023-0005, Response to Staff Question #8

²⁰ Ibid

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and carrying charge sub-accounts of Account 1595. Such transfer shall be pursuant to the requirements specified in the *Accounting Procedures Handbook for Electricity Distributors*.²¹ The date of the transfer must be the same as the effective date for the associated rates, which is generally the start of the rate year.

The OEB approves these balances to be disposed of through final rate riders, charges, or payments, as calculated in the Rate Generator Model. The final rate riders, charges, and payments, as applicable, will be in effect over a one-year period from January 1, 2024 to December 31, 2024.²²

²¹ Article 220, Account Descriptions, Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

²² 2024 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a GA Allocation, Tab 6.2 CBR B, Tab 6.2a CBR B_Allocation and Tab 7 Calculation of Def-Var RR

8. LOST REVENUE ADJUSTMENT MECHANISM VARIANCE ACCOUNT

The OEB has historically used a Lost Revenue Adjustment Mechanism Variance Account (LRAMVA) to capture implications for a distributor's revenues which arise from differences between actual and forecast conservation and demand management (CDM) savings included in its last OEB-approved load forecast. The use of the LRAMVA is no longer the default approach for CDM activities.²³

Distributors delivered CDM programs to their customers through the Conservation First Framework (CFF) that began on January 1, 2015 until March 20, 2019, when the CFF was revoked.²⁴

Distributors filing an application for 2024 rates are required to seek disposition of all outstanding LRAMVA balances related to program savings related to CFF programs or other conservation programs they delivered unless they do not have complete information on eligible program savings.²⁵

Distributors are also eligible for LRAM for persisting impacts of conservation programs until their next rebasing. The OEB previously provided direction for distributors to seek approval of LRAM-eligible amounts for 2023 onwards on a prospective basis, and a rate rider in the corresponding rate year, to address amounts that would otherwise be recorded in the LRAMVA for all years until their next rebasing application.²⁶

Algoma Power had LRAM-eligible amounts for future years approved on a prospective basis in a previous year. For the 2024 rate year, Algoma Power was approved for a prospective LRAM-eligible credit amount of \$1,075 in 2022 dollars.²⁷ Prospective LRAM amounts are to be adjusted mechanistically by the approved inflation minus X-factor applicable to IRM applications in effect for a given year and recovered through a rate rider in the corresponding rate year.²⁸ Algoma Power noted that certain of its volumetric rates for 2024 are being adjusted by factors other than the price cap index (inflation minus x-factor), and proposed an alternative adjustment whereby the volumetric or demand billing units used as the basis of the previously approved LRAM-eligible

²³ Conservation and Demand Management Guidelines for Electricity Distributors, December 20, 2021, chapter 8

²⁴ On March 20, 2019 the Minister of Energy, Northern Development and Mines issued separate Directives to the OEB and the IESO.

²⁵ Chapter 3 Filing Requirements, section 3.2.6.1

²⁶ [Guidance on Prospective Lost Revenue Adjustment Mechanism \(LRAM\) Amounts – 2023 Rates](#), June 16, 2022

²⁷ EB-2022-0014, Decision and Order, December 8, 2022

²⁸ Chapter 3 Filing Requirements, section 3.2.7.1

amount are multiplied by the proposed 2024 volumetric distribution rates for each rate class. Applying this adjustment results in a credit amount of \$1,501.²⁹

Findings

The OEB approves the disposition of the mechanistically adjusted LRAM-eligible credit amount for the 2024 rate year of \$1,501. The OEB also confirms the previously approved LRAM-eligible amounts, which have been mechanistically adjusted to 2024 dollars, as set out in Table 8.1 below.³⁰

Table 8.1 LRAM-Eligible Amounts for Prospective Disposition

Year	LRAM-Eligible Amount (in 2022 \$)	LRAM-Eligible Amount (in 2024 \$)
2024	-\$1,075	-\$1,501

²⁹ Calculated as: (previously approved 2024 LRAM-eligible amount in 2022 dollars) x (2023 approved inflation minus X-factor) x (2024 approved inflation minus X-factor).

³⁰ EB-2022-0014, Decision and Order, December 8, 2022

9. RESIDENTIAL RATE DESIGN

Some residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.³¹ Distributors such as Algoma Power, who are in a transition period that is greater than four years, or who commenced transition in a later year, are required to continue with this transition until the monthly service charge is fully fixed.

In Algoma Power's 2016 rates proceeding, the OEB found that the impact of transitioning the utility's customers over four years was too great.³² To mitigate the impact, the OEB determined that the transition would be over eight years for the traditional residential customers in Algoma Power's R1 customer class (non-residential customers in the class would not be transitioned to fixed rates, consistent with the OEB's policy). The OEB also determined that seasonal customers would transition to fixed rates over a nine-year period. In Algoma Power's 2020 rates proceeding, the OEB approved Algoma Power's request to transition its seasonal customers to a fully fixed rate by approximately 2026.

Algoma Power noted that since January 1, 2023, the Residential R1(i) has been charged based on fully fixed distribution rates, and no further adjustments under the Residential Rate Design Transition are needed for R1(i). For the seasonal customer rate class, Algoma Power proposed to continue implementing annual increments of \$4 to the monthly service charge, a pace which will achieve fully fixed rates in the 2026 rate year, consistent with the OEB's decision in Algoma Power's 2020 cost of service application. The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low-volume residential customers.

Findings

The OEB finds that the proposed 2024 increase to the monthly fixed charge is calculated in accordance with the OEB's residential rate design policy. The results of the monthly fixed charge and total bill impact for low-consumption seasonal customers demonstrate that no mitigation is required. The OEB approves the increase as proposed by Algoma Power and calculated in its Rate Design Model.

³¹ OEB Policy – "A New Distribution Rate Design for Residential Electricity Customers" EB-2012-0410, April 2, 2015

³² Decision and Rate Order, EB-2015-0051, December 10, 2015

10. IMPLEMENTATION

This Decision is accompanied by a Rate Generator Model, applicable supporting models, and a Tariff of Rates and Charges (Schedule A). The Rate Generator Model also incorporates the rates set out in Table 10.1.

Table 10.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	\$0.0007
Wholesale Market Service (WMS) billed to Class A and B Customers	\$0.0041
Capacity Based Recovery (CBR) billed to Class B Customers	\$0.0004

Each of these rates is a component of the “Regulatory Charge” on a customer’s bill, established annually by the OEB through a separate, generic order. The RRRP and WMS rates were set by the OEB on December 8, 2022.³³

The Smart Metering Entity Charge is a component of the “Distribution Charge” on a customer’s bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set by the OEB at \$0.42 on September 8, 2022.³⁴

In the *Report of the Board: Review of Electricity Distribution Cost Allocation Policy*,³⁵ the OEB indicated that it will review the default province-wide microFIT charge annually to ensure it continues to reflect actual costs in accordance with the established methodology. On December 8, 2022, the OEB issued a letter advising electricity distributors that the microFIT charge shall remain at \$4.55 for the duration of the 2023 calendar year.³⁶ Distributors that are subject to the province-wide microFIT charge will be required to follow any subsequent order that the OEB may issue for the 2024 calendar year.

³³ EB-2022-0269, Decision and Order, December 8, 2022

³⁴ EB-2022-0137, Decision and Order, September 8, 2022

³⁵ EB-2010-0219, Report of the Board “Review of Electricity Distribution Cost Allocation Policy”, March 31, 2011

³⁶ OEB Letter, “Review of Fixed Monthly Charge for microFIT Generator Service Classification”, issued December 8, 2022

11. ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT

1. The Tariff of Rates and Charges set out in Schedule A of this Decision and Rate Order is approved effective January 1, 2024 for electricity consumed or estimated to have been consumed on and after such date. Algoma Power Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.

DATED at Toronto, Month, Date, Year

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
DECISION AND RATE ORDER
ALGOMA POWER INC.
TARIFF OF RATES AND CHARGES
EB-2023-0005
MONTH XX, 20XX

Algoma Power Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2024
This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2023-0005

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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge - Applicable only to customers that meet criteria (i) above	\$	64.31
Service Charge - Applicable only to customers that meet criteria (ii) above	\$	28.84
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
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 (ii) above	\$/kWh	0.0406
Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until December 31, 2024 Applicable only for Class B Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2024	\$/kWh	0.0035
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0108
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0081

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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.

If included in the following listing of monthly rates and charges, 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.

If included in the following listing of monthly rates and charges, 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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	742.06
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	3.8450
Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until December 31, 2024 Applicable only for Class B Customers	\$/kW	(0.0713)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2024	\$/kW	1.7434
Rate Rider for Prospective Lost Revenue Adjustment Mechanism Variance Account Disposition (2024) - effective until December 31, 2024	\$/kW	(0.0395)
Retail Transmission Rate - Network Service Rate	\$/kW	4.1147
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	3.0794

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	82.79
Rate Rider for Recovery of Advanced Capital Module (2023) - effective until the date of the next cost of service-based rate order	\$	1.80
Rate Rider for Recovery of Advanced Capital Module (2022) - effective until the date of the next cost of service-based rate order	\$	3.48
Smart Metering Entity Charge - effective until December 31, 2027	\$	0.42
Distribution Volumetric Rate	\$/kWh	0.0384
Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until December 31, 2024 Applicable only for Class B Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2024	\$/kWh	0.0026
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0108
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0081

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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.

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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 Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.08
Rate Rider for Recovery of Advanced Capital Module (2023)	\$	0.32
- effective until the date of the next cost of service-based rate order		
Rate Rider for Recovery of Advanced Capital Module (2022)	\$	0.64
- effective until the date of the next cost of service-based rate order		
Distribution Volumetric Rate	\$/kWh	0.3361
Rate Rider for Disposition of Capacity Based Recovery Account (2024) - effective until December 31, 2024 Applicable only for Class B Customers	\$/kWh	(0.0002)
Rate Rider for Disposition of Deferral/Variance Accounts (2024) - effective until December 31, 2024	\$/kWh	0.0037
Rate Rider for Prospective Lost Revenue Adjustment Mechanism Variance Account Disposition (2024) - effective until December 31, 2024	\$/kWh	0.0129
Retail Transmission Rate - Network Service Rate	\$/kW	2.9795
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.2214

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	\$/kWh	0.0041
Capacity Based Recovery (CBR) - Applicable for Class B Customers	\$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	\$/kWh	0.0007
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	4.55
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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

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 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.

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 Global Adjustment, and the HST.

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 (effective annual rate 19.56% per annum or 0.04896% compounded daily rate)	%	1.50
Reconnection at meter - during regular hours	\$	65.00
Reconnection at meter - after regular hours	\$	185.00
Reconnection at pole - during regular hours	\$	185.00
Reconnection at pole - after regular hours	\$	415.00

Other

Specific charge for access to the power poles - per pole/year (with the exception of wireless attachments)		37.78
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

RETAIL SERVICE CHARGES (if applicable)

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 Global Adjustment and the HST.

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.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	117.02
Monthly fixed charge, per retailer	\$	46.81
Monthly variable charge, per customer, per retailer	\$/cust.	1.16
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.69
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.69)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.59
Processing fee, per request, applied to the requesting party	\$	1.16
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)	\$	4.68
Notice of switch letter charge, per letter (unless the distributor has opted out of applying the charge as per the Ontario Energy Board's Decision and Order EB-2015-0304, issued on February 14, 2019)	\$	2.34

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	1.0829
Total Loss Factor - Primary Metered Customer	1.0721