

Algoma Power Inc.

**Application for electricity distribution rates and other
charges beginning January 1, 2025**

**DECISION ON ISSUES LIST
August 2, 2024**

Algoma Power Inc. (Algoma Power) filed a cost-of-service application (Application) with the Ontario Energy Board (OEB) on June 3, 2024, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Algoma Power charges for electricity distribution, beginning January 1, 2025.

A Notice of Hearing was issued on June 27, 2024.

In Procedural Order No. 1, issued on July 22, 2024, the OEB approved School Energy Coalition (SEC) and the Vulnerable Energy Consumers Coalition (VECC) as intervenors in this proceeding, determined cost eligibility and made provisions for the filing of a draft issues list. The OEB also set dates for interrogatories, interrogatory responses, a settlement conference and the filing of a settlement proposal as well as the date for any OEB staff submission on the settlement.

Issues List

OEB staff filed a letter with a proposed Issues List on July 29, 2024, in accordance with Procedural Order No. 1. OEB staff proposed adding Issues 1.3, 1.4, 5.7, 5.8 and 7.3. OEB staff also proposed a change to Issue 1.1.

All parties agreed with these revisions. In addition, the parties requested that the OEB waive the requirement under rule 26.02(e)(ii) of the *Rules of Practice and Procedure* that interrogatories correspond to the issues list as parties may want to file interrogatories according to the exhibit numbers in the Application.

OEB staff also advised that parties may wish to propose additional matters for inclusion on the issues list after the interrogatory responses are received, given the proposed issues list was prepared prior to the interrogatory process.

The OEB has reviewed the proposed Issues List and has made minor changes to it. In particular, the OEB has excluded the commodity variance accounts 1588 and 1589 from

Issue 6.1 and has moved the proposed Issue 7.3 under the Deferral and Variance Account heading and renumbered it as Issue 6.2.

6.1 Are the proposals for deferral and variance accounts **other than Account 1588 and Account 1589**, including the balances in the existing accounts and their disposition, requests for new accounts, requests for discontinuation of accounts, and the continuation of existing accounts, appropriate?

6.2 **Is the proposal for the disposition of balances in Accounts 1588 and 1589, including** the request for an order as per Section 36.1.1 of the *Electricity Act, 1998* requiring the IESO to settle past Class A submissions, appropriate?

The Issues List attached to this Order as Appendix A is the approved Issues List. The OEB may update the Issues List as necessary to further define the scope of the proceeding.

The OEB approves the request to file interrogatories according to exhibit numbers for this proceeding.

Exclusion from Settlement

The OEB considers it appropriate to exclude Issue 6.2 pertaining to Algoma Power's request to require the IESO to settle past Class A submissions from the set of issues eligible for settlement. All other issues on the approved Issues List are eligible for settlement.

The OEB plans to hear Issue 6.2 by way of written hearing after the settlement conference.

The OEB will provide further procedural steps related to this proceeding at a later date.

THE ONTARIO ENERGY BOARD ORDERED THAT:

1. The Issues List attached to this Order as Appendix A is approved.

DATED at Toronto, August 2, 2024

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
APPROVED ISSUES LIST

Algoma Power Inc.

EB-2024-0007

AUGUST 2, 2024

APPROVED ISSUES LIST
EB-2024-0007
Algoma Power Inc.

1. Capital Spending and Rate Base

- 1.1 Are the proposed capital expenditures and in-service additions, with the exception of the ACM projects, appropriate?
- 1.2 Are the proposed rate base and depreciation amounts appropriate?
- 1.3 Is the in-service addition of the Sault St. Marie Facility ACM project appropriate?
- 1.4 Is the in-service addition of the Echo River TS ACM project appropriate?

2. OM&A

- 2.1 Are the proposed OM&A expenditures appropriate?
- 2.2 Is the proposed shared services cost allocation methodology and the quantum appropriate?

3. Cost of Capital, PILs, and Revenue Requirement

- 3.1 Is the proposed cost of capital (interest on debt, return on equity) and capital structure appropriate?
- 3.2 Is the proposed PILs (or Tax) amount appropriate?
- 3.3 Is the proposed Other Revenue forecast appropriate?
- 3.4 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?
- 3.5 Is the proposed calculation of the Revenue Requirement appropriate?

4. Load Forecast

- 4.1 Is the proposed load forecast methodologies and the resulting load forecasts appropriate?

5. Cost Allocation, Rate Design, and Other Charges

- 5.1 Are the proposed cost allocation methodology, allocations, and revenue-to-cost ratios, appropriate?
- 5.2 Is the proposed rate design, including fixed/variable splits, appropriate?
- 5.3 Are the proposed Retail Transmission Service Rates and Low Voltage rates appropriate?
- 5.4 Are the proposed loss factors appropriate?
- 5.5 Are the Specific Service Charges and Retail Service Charges appropriate?
- 5.6 Are rate mitigation proposals required and appropriate?
- 5.7 Is the proposed request for Rural and Remote Rate Protection (RRRP)

funding appropriate?

- 5.8. Is Algoma's proposal to change the billing determinant for Street Lights from "connections" to "devices" appropriate?

6. Deferral and Variance Accounts

- 6.1 Are the proposals for deferral and variance accounts other than Account 1588 and Account 1589, including the balances in the existing accounts and their disposition, requests for new accounts, requests for discontinuation of accounts, and the continuation of existing accounts, appropriate?
- 6.2 Is the proposal for the disposition of Accounts 1588 and 1589, including the request for an order as per Section 36.1.1 of the *Electricity Act, 1998* requiring the IESO to settle past Class A submissions appropriate?

7. Other

- 7.1 Is the proposed effective date appropriate?
- 7.2 Has the applicant responded appropriately to all relevant OEB directions from previous proceedings?