



November 29, 2024

Sent via email and RESS

Ms. Nancy Marconi
 Registrar
 Ontario Energy Board
 2300 Yonge Street, 27th floor
 Toronto, ON M4P 1E4
 Office of the Registrar <Registrar@oeb.ca>

Dear Ms. Marconi:

**RE: EB-2024-0007 – Algoma Power Inc. Cost of Service
 Distribution Rate Application for Rates Effective January 1, 2025
 Corrections to Submission on Issue 6.2**

Algoma Power Inc. provided reply submissions and a supporting deferral and variance account model, regarding issue 6.2 in the above-captioned matter on November 5, 2024.

It has now come to API’s attention that two items in its reply submission require corrections, specifically:

- 1) In its submissions, API provided the calculations for an adjustment of \$(38,861), related to the Class A consumption¹. In the DVA schedule accompanying the reply submission, API had made an adjustment to the principal balance of Account 1589 RSVA-Global Adjustment.

API has since determined that the Class A adjustments would impact both non-RPP (associated with Account 1589) and RPP (associated with Account 1588) customer submissions.

To address this issue, API has estimated the following corrected allocation of the \$(38,861), based on the correction \$ values in each month, split among the pre-existing RPP/Non-RPP split for each month:

Month	Estimated Adjustment Amount \$	Class B - %		Class B - \$	
		RPP	Non-RPP	RPP - 1588	Non-RPP - 1589
Jan-21	-\$ 1,652	87.5%	12.5%	-\$ 1,446	-\$ 206
Jan-22	-\$ 19,117	86.4%	13.6%	-\$ 16,509	-\$ 2,608
Feb-22	-\$ 8,284	86.1%	13.9%	-\$ 7,135	-\$ 1,149
Jun-22	-\$ 15,329	84.4%	15.6%	-\$ 12,937	-\$ 2,392
Sep-22	\$ 545	81.7%	18.3%	\$ 445	\$ 100
Nov-22	-\$ 1,174	83.1%	16.9%	-\$ 975	-\$ 199
Dec-22	\$ 6,150	83.0%	17.0%	\$ 5,105	\$ 1,045
	-\$ 38,861	86.1%	13.9%	-\$ 33,453	-\$ 5,408

¹ See Schedule 3 in API’s initial Reply Submission.



Accordingly API has attached an updated DVA schedule to replace the model submitted on November 5, 2024 which re-allocates (\$33,453) of the adjustment originally made to Account 1589 to Account 1588.

- 2) In its reply submissions, API also made reference to a \$48,000 value related to foregone interest, resulting in a total “foregone” amount of \$87,000 (inclusive of \$38,861 mentioned in item 1 above).

API initially made this assessment from the perspective that no interest had been accrued as owing from the IESO for the amounts over-charged by the IESO in the associated months. API has recognized that the over-payment to the IESO did affect the principal balances in Account 1589 and 1588, and as a result the associated interest balances. Therefore, to align with API’s reference to the approximately \$48,000 of interest costs being funded by API, a further adjustment of (\$48,000) is necessary in the interest balances of Accounts 1588 and 1589, which API has also reflected in the attached DVA Model². This interest adjustment results in customers being no worse off with respect to the IESO settlement than if the Class A consumption had been settled correctly at the time of the original IESO submission. The calculations supporting this adjustment are outlined in the table below:

Estimated Adjustment \$	Class B - %		Class B - \$	
	RPP	Non-RPP	RPP - 1588	Non-RPP - 1589
-\$ 48,000	86.1%	13.9%	-\$ 41,320	-\$ 6,680

API has assessed the interest adjustment based on the values identified in schedule 3 of API’s Reply submission, totaling a cumulative (\$385,122), and applying the applicable OEB interest to the cumulative balance of these amounts, until December 31, 2024, rounded up to the nearest thousand dollars.

In reviewing the above mentioned corrections (items 1) and 2)), API has determined that no corrections are required to the Reply Submission itself, only the adjustments to the Deferral and Variance Account Model, as attached. Furthermore, due to the principal impact to account 1589 outlined in item (1) above, API has provided a revised Global Adjustment Analysis Workform (also attached).

Sincerely,

Oana Stefan, Manager, Regulatory Affairs
 RegulatoryAffairs@FortisOntario.com
 CC: Birgit Armstrong, OEB Staff

² Adjustments made in column BA of Tab 2a. of the model.