



December 5, 2024

sent via 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
Clarification on DVA Models**

On November 29, 2024, OEB Staff issued a Submission in respect of the above-mentioned matter, regarding the Draft Rate Order provided by API.

In its Submission, OEB Staff broadly accepted the calculations of API to update the proposed rates to reflect updated (interim) Cost of Capital Parameters, Preliminary Uniform Transmission Rates, and the recently issued MicroFIT charge.

OEB Staff further submitted that the Group 1 Deferral and Variance Account (DVA) should be deemed interim.

Interim Status of Group 1 DVA Disposition

API agrees with OEB Staff's submission. Given the OEB has yet to issue its Decision regarding Issue 6.2 in this matter, API has not reflected the disposition of Accounts 1588 and 1589 in the DRO Tariff. Accordingly, the Group 1 Rate Riders do not currently reflect any disposition of Account 1588. Once the OEB issues its Decision on Issue 6.2, the full disposition amount for the Group 1 Rate Riders will be known, permitting the correct calculation of Final Group 1 Rate Riders.

Clarification on DVA Schedule Versions.

For greater clarity, API is filing the attached DVA Schedule to support the Draft Rate Order calculations (including the interim Group 1 DVA Rate Riders). This schedule, which is unchanged from the DVA Schedule filed with the Settlement Proposal, excludes the balances in 1588 and 1589 from the rate rider calculations, pending the OEB's Decision on issue 6.2.

On November 5, as updated on November 29, 2024, API filed its reply submissions in Issue 6.2, which incorporated a DVA Schedule that *did* include its proposed approach to

the disposition accounts 1588 and 1589, for the OEB's consideration in its deliberations on issue 6.2.

Other

API has also filed a Global Adjustment Work Form, which was intended to accompany the materials filed on November 29th and relates to API's Reply Submission on issue 6.2.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Oana Stefan
Manager, Regulatory Affairs
RegulatoryAffairs@FortisOntario.com

CC: Birgit Armstrong, OEB Staff