



EB-2014-0159

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Algoma Power Inc. Inc. for an order approving or fixing just and reasonable distribution rates effective January 1, 2014;

AND IN THE MATTER OF a Motion to Review and Vary by Algoma Power Inc. pursuant to the Ontario Energy Board's *Rules of Practice and Procedure* for a review of the Board's Decision and Order in proceeding EB-2013-0110.

BEFORE: Marika Hare
Presiding Member

Allison Duff
Member

DECISION
May 29, 2014

Introduction

Algoma Power Inc. ("API") filed with the Ontario Energy Board (the "Board") on April 8, 2014 a Motion to Review and Vary (the "Motion") the Board's Rate Order dated March 6, 2014 in EB-2013-0110 in respect of API's Price Cap Incentive Regulation ("IR") application for rates to be effective January 1, 2014. API also sought leave from the Board for an extension of time to file the Motion.

The Board issued its Notice of Motion to Review and Vary and Procedural Order No. 1 on May 6, 2014. Board staff filed their submission on May 14, 2014. API filed a reply submission on May 21, 2013.

Extension of Time

The 2014 Order was issued on March 6, 2014. The deadline for filing a motion to review in accordance with the Board *Rules of Practice and Procedure* (the “Rules”) was March 26, 2014 (20 days after the 2014 Order was issued).

API submitted that an error of \$251,203 was discovered subsequent to the issuance of the 2014 Rate Order. API identified the error while confirming the monthly RRRP amounts with Hydro One Networks. API submitted that the Motion was filed only 13 days past the twenty day period provided for in the Rules. Board staff recommended that the Board grant the Motion to vary the Order. Board staff noted that varying API’s RRRP funding amount would have no impact on API’s distribution rates.

The Board has discretion as to whether to accept a motion after the standard deadline following issuance of a Decision and Order. As the error was discovered shortly after the issuance of the decision and does not affect base distribution rates, the Board accepts the motion for review.

The Motion

In EB-2012-0104, the Board approved the disposition and recovery of API’s costs related to smart meter deployment. There were two components approved; the deferred revenue requirement for the installed smart meters up to the time of disposition and the incremental revenue requirement.

In its 2014 IR application, API mistakenly included half of the incremental revenue requirement of \$251,203, instead of the full amount of \$502,406. This error resulted in a RRRP funding amount of \$12,130,404 instead of \$12,381,607.

An additional error was discovered by API while performing a re-calculation of the RRRP amounts to be received between March and December 2014. The monthly amounts received from Hydro One Networks for January and February 2014 were \$1,074,657 and not \$1,009,793 as indicated in the Board’s Final Rate Order. As a result, API proposed the monthly funding required for the remaining 10 months of 2014 would be \$998,109. As noted in Schedule A of the Motion, Hydro One Networks agreed to this monthly funding amount. Table 1 below depicts API’s request.

Table 1

	Board Approved	Proposed
RRRP Funding per Rate Order dated March 6, 2014	\$ 12,130,404	\$ 12,381,607
RRRP Funding Received in January 2014	\$ 1,009,792	\$ 1,074,657
RRRP Funding Received in February 2014	\$ 1,009,792	\$ 1,074,657
RRRP Funding Received in March 2014		\$ 998,109
RRRP Funding Received in April 2014		\$ 998,109
RRRP Funding Received in May 2014		\$ 998,109
Remaining RRRP Funding Required	\$ 10,110,818	\$ 7,237,966
Monthly Amount	\$ 1,011,082	\$ 1,033,995

Board staff reviewed API's evidence and agreed with API that the total incremental revenue requirement should be included in the RRRP calculation. As well, Board staff agreed with the calculations leading to a monthly RRRP funding amount of \$1,033,995. Board staff recommended that the Board grant the Motion to vary the Order.

Board Findings

Algoma submitted updated calculations for its 2014 RRRP funding amount from \$12,130,404 to \$12,381,607, inclusive of the \$251,203 for incremental revenue requirement related to its smart meter recovery. In calculating the monthly RRRP funding amount, Algoma took into consideration the updated RRRP funding of \$2,149,314 received between January 1, 2014 and February 28, 2014 and \$2,994,327 received between March 1, 2014 and May 31, 2014. Algoma calculated a balance remaining to be received for the period from June 1, 2014 to December 31, 2014 of \$7,237,966, or \$1,033,995 per month.

The Board finds that the amount of RRRP of \$12,381,607 for the year commencing January 1, 2014 accurately reflects the Board's findings pursuant to the applicable regulations and approves the calculated monthly payment of \$1,033,995 effective June 1, 2014.

DATED at Toronto, May 29, 2014

ONTARIO ENERGY BOARD

Original signed by

Marika Hare
Presiding Member

Original signed by

Allison Duff
Member