



May 17, 2019

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27th floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Algoma Power Inc. 2020 Cost of Service Application (EB-2019-0019)**

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Algoma Power Inc. ("API") has submitted its 2020 Cost of Service Application (the "Application") through the Board's Regulatory Electronic Submission System ("RESS"). A number of Excel files (listed in Section 1.2.1 of Exhibit 1) and PDF versions of each Excel file have also been submitted via RESS in support of the Application. Two hard copies of the Application have been printed and sent to the OEB's offices by courier on the same day as the electronic filing.

On April 26, 2019, API notified the OEB in writing that it would be delayed in filing. This slight delay largely resulted from aspects of API's 2020 Test Year costs that depend on the outcome of API's MAAD Application with Dubreuil Lumber Inc. ("DLI"); EB-2018-0271 (the "MAAD Application"). The OEB issued its Decision and Order in the MAAD Application on April 4, 2018. In its April 18, 2019 Draft Rate Order, API identified a number of areas where further clarity on API's interpretation of the Decision and Order were required. OEB Staff filed a submission on API's Draft Rate Order on May 3, 2019, and at page 7 of its submission suggested that any outstanding cost recovery matters related to the MAAD Application could be tested in API's subsequent rate application. API agrees with this approach, and in its reply submissions in the MAAD Application, which has also been filed on May 17, 2019, API sets out reasons why this approach is preferable to other options put forward by OEB Staff.

Accordingly, in the current Application, API requests that the OEB make determinations on preliminary issues related to the allocation and recovery of DLI-related costs, as identified in Sections 1.3.4 of Exhibit 1 (Items #12 and #13 on API's list of requested approvals). For clarity,

API has requested that the OEB approve, as preliminary matters, the cost allocation and recovery methodologies for each category of DLI-related costs and has acknowledged that the review of the prudence and categorization of the specific expenditures would be determined during the remainder of the proceeding in the normal course. The various categories of DLI-related costs and the associated methodologies for allocation and recovery of these costs are summarized in Section 1.3.7 of the Application.

Due to the time sensitivity and the potential of a material impact on 2020 costs, API also requests that the OEB make preliminary determinations on certain requested code exemptions (Item #11) and the extension of a sunset date for a specific rate-rider (Item #14).

API respectfully requests that the OEB proceed with addressing the preliminary issues identified above in parallel with its standard review of the Application for completeness. This would allow the OEB to request any additional information or submissions that it considers relevant to the preliminary issues in advance of the general interrogatory stage of the proceeding.

If you have any questions in connection with the Application or the preliminary issues identified above, please do not hesitate to contact the undersigned by phone or by email.

Yours Truly,

A handwritten signature in black ink, appearing to read "Greg Beharriell", with a large, sweeping flourish at the end.

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