

Decision on Algoma Power's Major Rates Application

On November 19, 2024, the Ontario Energy Board (OEB) issued its [Decision and Order](#) on a settlement proposal relating to most of Algoma Power Inc.'s (Algoma Power) application to change the rates it charges for electricity distribution.

The OEB approved a settlement proposal on all issues agreed upon by Algoma Power and intervenors in the hearing, concluding that it will result in reasonable outcomes for both Algoma Power and its customers and enable the utility to operate its distribution system safely and reliably. The OEB had previously excluded one issue¹ from the settlement process and will decide that issue separately.

Key elements of the OEB-approved settlement proposal include the following changes as compared to Algoma Power's filed application:

- A \$451k reduction (4.0%) to its 2025 base revenue requirement, resulting in a revised revenue requirement of \$33.7M due to:
- A \$970k reduction (5.95%) in its 2025 Operations, Maintenance & Administration (OM&A) budget, resulting in a revised budget of \$15.3M.
- A net increase of \$2.2M (21.81%) in its 2025 capital expenditures budget, resulting in a revised budget of \$12.4M. The main reason for this increase is the costs associated with Land Use agreements.

The OEB has instructed Algoma Power to submit a draft rate order that includes the impact on customer rates and detailed information supporting the final rate calculations. Estimated bill impacts will be provided after the draft rate order process is completed and the OEB decides on the excluded issue.

INTERVENORS

Intervenors are individuals or groups who have permission to participate in a hearing before the OEB because they have a substantial interest in the proceeding. The School Energy Coalition, the Vulnerable Energy Consumers Coalition and the Independent Electricity System Operator were intervenors in this proceeding.

ABOUT THE OEB

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and supports the delivery of clean, reliable and affordable energy for the people, farms and businesses of Ontario. Its goal is to deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development. You can learn more about the OEB at [oeb.ca](https://www.oeb.ca).

¹ The OEB excluded Algoma's proposal for the resettlement of certain amount with the Independent Electricity System Operator and the disposition of certain commodity account balances from the settlement process.

Independence in the hearing and determination of matters is a key element of the OEB's mandate, established through legislative structures, the [Memorandum of Understanding](#) between the Minister of Energy and Electrification and the Chair of the OEB, and by-laws that set out clear lines of communication between government and the OEB. Commissioner panels hear and determine matters independently, with legislative protections and other instruments to ensure decisions are free from interference by the CEO, the Board of Directors and government. This also includes the Chief Commissioner when not assigned to the specific case.

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Ce document est aussi disponible en français.

This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for decision; those may be found in the Decision and Order issued November 19, 2024, which is the official OEB document.