

Decision on Outstanding Issue in Algoma Power's Major Rates Application

On November 19, 2024, the Ontario Energy Board (OEB) approved a settlement proposal¹ on all but one of the issues related to Algoma Power Inc.'s (Algoma Power) application to change the rates it charges for electricity distribution.

In the [Final Decision and Order](#) issued January 9, 2025, the OEB addressed the outstanding issue of Algoma Power's request. Algoma Power had asked that the Independent Electricity System Operator (IESO) be required to resettle certain Global Adjustment (GA) amounts for prior periods², and for approval to clear certain account balances related to the GA settlement process.

A review by an external consultant hired by Algoma Power found that reporting errors were made in GA amounts, over an eight-month period in 2021 and 2022, as part of its monthly reporting to the IESO. These reporting errors resulted in overpayments from Algoma Power to the IESO.

The OEB denied Algoma Power's request to have the IESO resettle any GA amounts because the delay in proposing corrections was unreasonable. The OEB found that it would be unfair for all market participants and ratepayers in Ontario to bear the cost of the corrections. The OEB also determined that requiring Algoma Power to cover the financial impact of these errors is not an undue burden on the distributor. The OEB further concluded that it would be inappropriate for the OEB to disregard the meaning and effect of statutory limitation period for settlements established under the *Electricity Act, 1998*.

The OEB approved the final disposition of Algoma Power's commodity account balances, which together with interest, results in a credit to customers in the amount of \$415,149.

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 IESO, School Energy Coalition and Vulnerable Energy Consumers Coalition 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.

¹ See the [related Background](#) for highlights of this decision.

² Under the *Electricity Act, 1998*, a two-year limitation period applies to the settlement of GA amounts. However, the IESO may be required to resettle these amounts after the end of the two-year period by an OEB order (among others).

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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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 Final Decision and Rate Order issued January 9, 2025, which is the official OEB document.