Ontario Energy Board **Commission de l'énergie de l'Ontario**

EB-2009-0220

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 COLLUS Power Corporation for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2010.

BEFORE: Paul Vlahos
Presiding Member

DECISION AND ORDER

Introduction

COLLUS Power Corporation ("COLLUS"), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the "Board") for an order or orders approving or fixing just and reasonable rates for the distribution of electricity and other charges, to be effective May 1, 2010.

COLLUS is one of about 80 electricity distributors in Ontario that are regulated by the Board. In 2008, the Board announced the establishment of a new multi-year electricity distribution rate-setting plan, the 3rd Generation Incentive Rate Mechanism ("IRM") process, that will be used to adjust electricity distribution rates starting in 2009 for those distributors whose 2008 rates were rebased through a cost of service review. As part of the plan, COLLUS is one of the electricity distributors that will have its rates adjusted for 2010 on the basis of the IRM process, which provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

To streamline the process for the approval of distribution rates and charges for distributors, the Board issued its *Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on July 14, 2008, its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008, and its *Addendum to the Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on January 28, 2009 (together the "Reports"). Among other things, the Reports contained the relevant guidelines for 2010 rate adjustments (the "Guidelines") for distributors applying for distribution rate adjustments pursuant to the IRM process. On July 22, 2009 the Board issued an update to Chapter 3 of the Board's "Filing Requirements for Transmission and Distribution Applications" (the "Filing Requirements"), which outlined the filing requirements for IRM applications by electricity distributors.

Notice of COLLUS' rate application was given through newspaper publication in COLLUS' service area advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. No letters of comment were received. The Vulnerable Energy Consumers Coalition ("VECC") applied and was granted intervenor status in this proceeding. The Board's Notice of Application noted that the Board may order costs in this proceeding in relation to COLLUS' requests for approval of a Z-factor that relates to the loss of revenue due to a change in a customer's operation and request for re-classification from the Large Use customer class to the General Service > 50 kW customer class. VECC participated by way of interrogatories and submission. Board staff also participated in the proceeding. The Board proceeded by way of a written hearing.

While the Board has considered the entire record in this rate application, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Price Cap Index Adjustment;
- Changes in the Federal and Provincial Income Tax Rates;
- Harmonized Sales Tax;
- Smart Meter Funding Adder;
- Revenue-to-Cost Ratios;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Accounts;
- Customer Reclassification; and
- Introduction of MicroFit Generator Service Classification and Rate.

Price Cap Index Adjustment

COLLUS' rate application was filed on the basis of the Guidelines. In fixing new distribution rates and charges for COLLUS, the Board has applied the policies described in the Reports.

As outlined in the Reports, distribution rates under the 3rd Generation IRM are to be adjusted by a price escalator less a productivity factor (X-factor) of 0.72% and COLLUS' utility specific stretch factor of 0.4%. Based on the final 2009 data published by Statistics Canada, the Board has established the price escalator to be 1.3%. The resulting price cap index adjustment is therefore 0.18%. The Board has adjusted the rate model to reflect the newly calculated price cap index adjustment. The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes. An adjustment for the transition to a common deemed capital structure of 60% debt and 40% equity was also effected.

The price cap index adjustment will not apply to the following components of distribution rates:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural Rate Protection Charge;
- Standard Supply service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges; and
- Retail Service Charges.

Changes in the Federal and Provincial Income Tax Rates

On December 13, 2007, the Ontario government introduced its 2007 Ontario Economic Outlook and Fiscal Review (the "Fiscal Review"). The enabling legislation received Royal Assent on May 14, 2008. Included in this Fiscal Review were changes to the

Ontario capital tax provisions[1], and an increase in the small business income limit from $400,000 to $500,000 effective January 1, 2007.

The Federal Budget which was presented on January 27, 2009 and received Royal Assent on March 12, 2009 included an increase in the small business income limit from $400,000 to $500,000 effective January 1, 2009.

On March 26, 2009, the Ontario provincial budget was presented and Bill 218, the enabling legislation, received Royal Assent on December 15, 2009. For corporations, the basic income tax rates will decrease in stages from 14% to 10% by July 1, 2013, while on July 1, 2010, the small business rate will drop from 5.5% to 4.5%, after the small business deduction is made where applicable. A provincial small business surtax claws back the benefit of the small business deduction when taxable income of associated corporations exceeds $500,000 and eliminates the benefit completely once taxable income, on an associated basis, reaches $1,500,000. The surtax will be eliminated on July 1, 2010.

The following table summarizes past, current and impending tax changes.

Tax Rates **Federal & Provincial** **As of December 15, 2009**	**Effective January 1, 2009**	**Effective January 1, 2010**	**Effective January 1, 2011**	**Effective January 1, 2012**	**Effective January 1, 2013**	**Effective January 1, 2014**
Federal income tax						
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Surtax (4% of line 3)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-9.00%	-10.00%	-11.50%	-13.00%	-13.00%	-13.00%
	19.00%	18.00%	16.50%	15.00%	15.00%	15.00%
Ontario income tax	14.00%	13.00%	11.75%	11.25%	10.50%	10.00%
Combined federal and Ontario	**33.00%**	**31.00%**	**28.25%**	**26.25%**	**25.50%**	**25.00%**
Federal & Ontario Small Business						
Federal small business threshold	500,000	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Ontario small business rate	5.50%	5.00%	4.50%	4.50%	4.50%	4.50%
Ontario surtax claw-back of 4.25% (eliminated July 1, 2010) starts at $500,000 and eliminates the SBC at $1,500,000.						
Ontario surtax	4.25%	2.125%	0.00%	0.00%	0.00%	0.00%
Ontario Capital Tax						
Capital deduction	15,000,000	15,000,000	0	0	0	0
Capital tax rate	0.225%	0.075%	0.0%	0.0%	0.0%	0.0%
OCT will be eliminated on July 1, 2010 but tax will be prorated for the first 6 months in 2010.						

[1] The Ontario capital tax rate decreased from 0.285% to 0.225% effective January 1, 2007. The Ontario capital tax deduction also increased from $10 million to $12.5 million effective January 1, 2007, and from $12.5 million to $15 million effective January 1, 2008.

The Board is of the view that these tax changes when combined could be material and should be passed on to ratepayers using a 50/50 sharing as determined by the Board in the Reports.

Using the Board's rate model, COLLUS' tax sharing amount is a refund of $2,265. This amount when unitized using COLLUS' volumetric billing determinants results in energy-based kWh rate riders less than four decimal places and demand-based kW rate riders less than two decimal places. In its submission, Board staff suggested that the Board may wish to consider directing COLLUS to record the tax sharing refund amount of $2,265 in variance account 1595 for disposition in a future rate setting. In its reply submission, COLLUS agreed with Board staff's suggestion. The Board agrees and orders COLLUS to record the tax sharing refund amount of $2,265 in variance account 1595.

Harmonized Sales Tax

The 8% Ontario provincial sales tax ("PST") and the 5% Federal goods and services tax ("GST") will be harmonized effective July 1, 2010, at 13%, pursuant to Ontario Bill 218 which received Royal Assent on December 15, 2009.

The PST is currently included in a distributor's OM&A expenses and capital expenditures. The PST is therefore included in the distributor's revenue requirement and is recovered from ratepayers through distribution rates.

When the PST and GST are harmonized, distributors will pay the HST on purchased goods and services but will claim an input tax credit ("ITC") for the PST portion. Therefore, the distributor will no longer incur that portion of the tax that was formerly applied as PST.

Board staff submitted that the Board may wish to consider the establishment of a deferral account to record the amounts, after July 1, 2010 and until COLLUS' next cost-of-service rebasing application, that were formerly incorporated as the 8% PST on capital expenditures and expenses incurred, but which will now be eligible for an ITC. This account would track the incremental change due to the introduction of the HST that incorporates an increased ITC from the current 5% to a 13% level.
In its reply submission, COLLUS submitted that the Board should not approve Board staff's request for a new variance account, and that the Board would have to provide

extensive instruction on how to measure and track incremental changes. COLLUS also submitted that any consideration of the Board on this matter should be in the form of a generic Board proceeding and should not be determined in the course of individual IRM applications.

The Board finds that it would not be incrementally onerous for distributors to track the ITC amounts as the distributor will need to file ITC information in GST/HST returns and go through the quantification process to satisfy the requirements by the tax authorities and that the final amounts will be confirmed by the tax authorities. In regulatory parlance, what Staff is suggesting is in the nature of a deferral account, not a variance account, and as such there is no need to compare these amounts with any reference to PST levels reflected in existing rates.

Rather, the issue in the Board's view is whether a distributor's cost reductions arising from the implementation of the HST should be returned to the ratepayers. In that regard, the Board notes that to do so would be consistent with what the Board has done with tax changes in second and third generation IRMs. In second generation IRM, the Board treated 100 % of the tax changes as a Z factor. In the third generation IRM, the Board determined that tax changes would be shared equally between ratepayers and the shareholder. The 50% was considered appropriate as the changes in input prices will flow through the GDP-IPI over time to some degree. The same rationale applies in the case of the HST.

The Board therefore directs that, beginning July 1, 2010, COLLUS shall record in deferral account 1592 (PILs and Tax Variances, Sub-account HST / OVAT Input Tax Credits (ITCs)), the incremental ITC it receives on distribution revenue requirement items that were previously subject to PST and become subject to HST. Tracking of these amounts will continue in the deferral account until the effective date of COLLUS' next cost of service rate order. 50 % of the confirmed balances in the account shall be returnable to the ratepayers.

The Board may issue more detailed accounting guidance in the future. In that event, the Applicant should make the appropriate accounting entries, if and as applicable.

Smart Meter Funding Adder

On October 22, 2008 the Board issued a Guideline for Smart Meter Funding and Cost Recovery ("Smart Meter Guideline") which sets out the Board's filing requirements in relation to the funding of, and the recovery of costs associated with, smart meter activities conducted by electricity distributors.

As set out in the Smart Meter Guideline, a distributor that plans to implement smart meters in the rate year must include, as part of the application, evidence that the distributor is authorized to conduct smart meter activities in accordance with applicable law. COLLUS is authorized conduct smart meter activities because it is covered by paragraph 8 of section 1(1) of O. Reg. 427/06.

COLLUS requested a utility-specific smart meter funding adder of $2.00 per metered customer per month. The Board approves the funding adder as proposed by COLLUS. This new funding adder will be reflected in the Tariff of Rates and Charges. COLLUS' variance accounts for smart meter program implementation costs, previously authorized by the Board, shall also be continued.

The Board notes that the smart meter funding adder of $2.00 per metered customer per month is intended to provide funding for COLLUS' smart metering activities in the 2010 rate year. The Board has not made any finding on the prudence of the proposed smart meter activities, including any costs for smart meters or advanced metering infrastructure whose functionality exceeds the minimum functionality adopted in O. Reg. 425/06, or costs associated with functions for which the Smart Metering Entity has the exclusive authority to carry out pursuant to O. Reg. 393/07. Such costs will be considered at the time that COLLUS applies for the recovery of these costs.

Revenue-to-Cost Ratios

Revenue-to-cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs allocated to that class. The Board has established target Ratio ranges (the "Target Ranges") for Ontario electricity distributors in its report *Application of Cost Allocation for Electricity Distributors*, dated November 28, 2007.

The Board's Decision (EB-2008-0226) for COLLUS' 2009 cost of service rate application prescribed a phase-in period to adjust its revenue-to-cost ratios.

COLLUS proposed to adjust its revenue-to-cost ratios as shown in Column 2 in the table below.

COLLUS' Revenue-to-Cost Ratios (%)

Rate Class	2009 Ratio Column 1	Proposed 2010 Ratio Column 2	Target Range Column 3
Residential	113.39	109.37	85 - 115
General Service Less Than 50	103.70	99.68	80 - 120
General Service 50 to 4,999 kW	57.88	68.94	80 - 180
Large Use	99.30	99.30	85 - 115
Street Lighting	43.66	56.83	70 - 120
Unmetered Scattered Load	87.80	87.80	80 - 120

The Board finds that the proposed revenue-to-cost ratios are in accordance with the Board's findings in the decision referenced above. The Board therefore approves the proposed revenue-to-cost ratios.

Retail Transmission Service Rates

Electricity distributors are charged the Ontario Uniform Transmission Rates ("UTRs") at the wholesale level and subsequently pass these charges on to their distribution customers through the Retail Transmission Service Rates ("RTSRs"). There are two RTSRs, whereas there are three UTRs. The two RTSRs are for network and connection. The wholesale line and transformation connection rates are combined into one retail connection service charge. Deferral accounts are used to capture timing differences and differences in the rate that a distributor pays for wholesale transmission service compared to the retail rate that the distributor is authorized to charge when billing its customers (i.e., deferral accounts 1584 and 1586).

On May 28, 2009, the Board issued its Decision and Rate Order in proceeding EB-2008-0272, which set new UTRs for Ontario transmitters, effective July 1, 2009. The new UTRs effective July 1, 2009 were as follows:

- Network Service Rate was increased from $2.57 to $2.66 per kW per month, a 3.5% increase;

- Line Connection Service Rate remained unchanged at $0.70 per kW per month; and
- Transformation Connection Service Rate was decreased from $1.62 to $1.57 per kW per month, for a combined Line and Transformation Connection Service Rates reduction of 2.2%.

On July 22, 2009 the Board issued an amended "Guideline for *Electricity Distribution Retail Transmission Service Rates*" ("RTSR Guideline"), which provided electricity distributors with instructions on the evidence needed, and the process to be used, to adjust RTSRs to reflect the changes in the UTRs effective July 1, 2009. The Board set as a proxy at that time an increase of 3.5% for the Network Service Rate and reduction of 2.2% for the combined Line and Transformation Connection Service Rates. The Board also noted that there would be further changes to the UTRs in January 2010. The objective of resetting the rates is to minimize the prospective balances in deferral accounts 1584 and 1586.

On January 21, 2010, the Board approved new UTRs effective January 1, 2010. The new UTRs were as follows:

- Network Service Rate has increased from $2.66 to $2.97 per kW per month, an 11.7% increase over the July 1, 2009 level or 15.6% over the rate in effect prior to July 1, 2009;
- Line Connection Service Rate has increased from $0.70 to $0.73 per kW per month; and
- Transformation Connection Service Rate has increased from $1.57 to $1.71 per kW per month, for a combined Line and Transformation Connection Service Rates increase of 7.5% over the July 1, 2009 level or 5.2% over the rate in effect prior to July 1, 2009.

COLLUS proposed to change the existing RTS rates by the same proportions as the changes in the UTRs noted above effective July 1, 2009. Therefore, COLLUS has proposed to increase all of its RTS Network Rates by 3.5%, and decreased all of its RTS Connection Rates by 2.2%.

The Board notes that very few distributors, including COLLUS, included in their 2009 rates the July 1, 2009 level of UTRs since for most of them distribution rates would have been implemented on May 1, 2009. Therefore, in accordance with the July 22, 2009 RTSR Guideline, the Board finds that the revisions to the RTSRs ought to reflect the changes from the current level (i.e. rate in effect prior to July 1, 2009) over the to the January 1, 2010 level. This represents an increase of about 15.6% to the RTSR Network Service rate, and an increase of about 5.2% to the RTSR Line and Transformation Connection Service Rate. The Board therefore will reflect these findings in COLLUS' draft Rate Order.

Review and Disposition of Group 1 Deferral and Variance Accounts

The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report* (the "EDDVAR Report") provides that, during the IRM plan term, the distributor's Group 1 account balances will be reviewed and disposed of if the preset disposition threshold of $0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed of.

With respect to the disposition period, the EDDVAR Report states that the default position would be one year.

(i) Balances

COLLUS has requested that the Board review and approve the disposition of the December 31, 2008 Group 1 account balances as defined by the EDDVAR Report since the preset disposition threshold of $0.001 per kWh was exceeded. The combined total of Group 1 account balance is a credit of $2,912,044, which includes a debit balance of $162,455 in the 1588 global adjustment sub-account. (Credit balances are amounts payable to customers and debit balances are amounts recoverable from customers). COLLUS has included interest on these account balances using the Board's prescribed interest rates to April 30, 2010. COLLUS' account balances as at December 31, 2008, plus projected carrying charges to April 30, 2010, are shown below.

Account Description	Account Number	Principal Amounts A	Interest Amounts B	Total Claim C = A + B
LV Variance Account	1550	479,589	31,737	511,326
RSVA - Wholesale Market Service Charge	1580	(888,131)	(7,334)	(895,465)
RSVA - Retail Transmission Network Charge	1584	(757,581)	(70,514)	(828,095)
RSVA - Retail Transmission Connection Charge	1586	(1,064,288)	(184,635)	(1,248,923)
RSVA - Power (Excluding Global Adjustment)	1588	(601,062)	173,644	(427,418)
RSVA - Power (Global Adjustment Sub-account)	1588	238,752	(76,297)	162,455
Recovery of Regulatory Asset Balances	1590	(123,027)	(62,898)	(185,925)
		(2,715,748)	**(196,296)**	**(2,912,044)**

In response to an interrogatory from Board staff, COLLUS stated that it had reviewed the Regulatory Audit & Accounting Bulletin 200901 and confirmed that it had accounted for its Account 1588 RSVA power and global adjustment sub-account in accordance with this Bulletin. Board staff noted that the proposed balances for disposition may no longer reconcile with previously audited balances nor with COLLUS' Reporting and Record-keeping Requirements ("RRR") filings. Board staff indicated that its review of the balances showed that the differences between the applied for account balances and the previously audited balances were not material.

The Board approves the proposed balances for Group 1 accounts as presented by COLLUS. The December 31, 2008 balances and projected interest to April 30, 2010 are considered final. For accounting purposes, the respective balance in each of the Group 1 accounts shall be transferred to account 1595 as soon as possible but no later than June 30, 2010 so that the Reporting and Record-keeping Requirements ("RRR") data reported in the second quarter of 2010 reflect these adjustments.

(ii) *Disposition*

The EDDVAR Report includes guidelines on the cost allocation methodology and the rate rider derivation for the disposition of deferral and variance account balances. The Board notes that COLLUS' followed the guidelines outlined in the EDDVAR Report and approves COLLUS' proposals except for the treatment of global adjustment sub-account balance.

The EDDVAR Report adopted an allocation of the global adjustment sub-account balance based on kWh for non-RPP customers by rate class. Traditionally, this allocation would then be combined with all other allocated variance account balances by rate class. The combined balance by rate class would be divided by the volumetric billing determinants from the most recent audited year-end or Board-approved forecast, if available. This approach spreads the recovery or refund of the allocated account balances to all customers in the affected rate class.

This method was based on two premises. First, that the recovery/refund of a variance unique to a subset of customers within a rate class would not be unfair to the rate class as a whole. Second, that the distributors' existing billing system may not be capable of billing a subset of customers within a rate class.

Subsequent to the issuance of the EDDVAR Report, exogenous events have resulted in increased balances in the global adjustment sub-account for most electricity distributors. Board staff suggested that the Board may wish to consider establishing a separate rate rider for the disposition of the global adjustment sub-account balance enabling the prospective recovery solely from non-RPP customers, as this would be more reflective of cost causality since it was that group of customers that was undercharged by the distributor in the first place. Alternatively, Board staff suggested that the Board may wish to consider the recovery of the allocated global adjustment sub-account balance from all customers in each class, as this approach would recognize the customer migration that might occur both away from the non-RPP customer group and into the non-RPP customer group.

In response to Board staff interrogatory, COLLUS indicated that its current billing system could not readily accommodate a separate rate rider that would apply prospectively to non-RPP customers to dispose of the global adjustment sub-account. COLLUS indicated that modifications to its billing system would be required and would need to be tested. COLLUS suggested that the global adjustment sub-account balance be allocated and disposed of from the GS>50 kW rate class on the basis that this class is mainly comprised of non-RPP customers. The Board is of the view that this approach is reasonable and will therefore accept COLLUS' proposal to dispose of the global adjustment sub-account balance from the GS> 50 kW rate class at this time.

The Board directs COLLUS to further investigate and report to the Board in a proceeding no later than the rebasing proceeding, COLLUS' projection of the costs that COLLUS would need to incur in order to accommodate the establishment of a separate rate rider to dispose of the global adjustment sub-account.

COLLUS requested the disposition of its Group 1 account balance over a four year period. Board staff noted that customer migration might occur in the low volume group and that there might be benefit to dispose of the global adjustment sub-account balance over a relatively short period of time in order to reduce inter-generational inequities. Board staff submitted that a disposition period no longer than one year would be appropriate for all Group 1 account since these balances have been accumulating over the last four year period and to delay any immediate action would not be in the interest of all parties. In its reply submission, COLLUS noted that a four year disposition period would smooth the rate impact and therefore reduce rate volatility. COLLUS also submitted that since the balances have accumulated over a four year timeframe, it would be appropriate to dispose of the balances over the same period. The Board accepts in principle Board staff's rationale for a disposition period of one year and adopts it subject to any reasonable justification that the disposition period should be lengthened. The Board finds that COLLUS' rationale for proposing to extend the disposition has merit. The Board considers it reasonable to approve a disposition period of four years in this case.

Customer Reclassification

COLLUS' rates were rebased in 2009 in a cost of service rates proceeding. 2010 is the first IRM year for COLLUS under 3rd generation IRM. In the 2009 rates proceeding, COLLUS' load forecast reflected the forecast of the only remaining customer ("Subject Customer") in the Large Use rate class. The Subject Customer has since shut down two of its four operations and requested, pursuant to section 2.5.4 of the Distribution System Code, to be reclassified. Having met the requirements stipulated in the Distribution System Code, COLLUS reclassified the Subject Customer to the GS>50 kW rate class effective November 1, 2009.

As part of this 2010 IRM application, COLLUS sought to recover as a Z factor the projected revenue losses from the reclassification of the Subject Customer from November 1, 2009 to April 30, 2013, the latter date being the end of the IRM plan term. In its original request, COLLUS calculated the revenue losses at $687,314, consisting of $66,410 for the period November 1, 2009 to April 30, 2010, $545,304 for the IRM years 2010, 2011 and 2012 ($181,768 for each year), and $75,600 of years 2010, 2011, and 2012 ($25,200 for each year) for the Transformer Ownership Allowance. Recovery would be through rate riders from all rate classes.

On the basis of the rate relief originally requested, the total bill impact on an average residential customer consuming 800 kWh per month would be about $2 per month or 2.0% and the total bill impact on an average general service less than 50 kW customers consuming 2,000 kWh per month would be about $2.60 per month or 1.1%. The impacts would be lower on the basis of the revised relief.

The record indicates that, in the 2009 rates rebasing proceeding, COLLUS asked for a variance account to capture any lost revenues associated with the remaining Large Use customer during the IRM term. COLLUS noted that there was no expectation at the time of the 2009 proceeding that it would lose its only remaining Large Use customer. It explained that its requests for a variance account at that time was driven by the fact that it had lost its other Large Use customers in 2007 during the IRM plan term (for which it had not request relief when it happened) and because of the unique size and potential impact of the remaining Large Use customer relative to other customers. COLLUS stated that it withdrew the variance account request at that proceeding on the assurance by parties at that proceeding that it could seek relief through Z factor treatment if that were to happen.

Board staff noted that the Board's 3rd generation IRM policy specifically excludes loss of customer load as a matter for consideration and that this matter should be the subject of a cost of service review. Board staff also noted that Z factors are meant to capture historical events, where the actual losses would have been already recorded; in this case the relief is forward looking. Board staff further noted that the financial impact on COLLUS' ROE will not exceed 300 basis points, the trigger threshold or "Off Ramp" adopted by the Board for the initiation of a regulatory review. Finally, Board staff questioned the legitimacy of the requested relief with respect to the Transformer Ownership Allowance.

VECC noted that revenue loss from load reduction is not a Z factor under 3rd generation IRM but acknowledged that COLLUS' circumstances are unique. It noted that the potential loss was raised by COLLUS in the 2009 rebasing proceeding when it sought a variance account to capture the loss but withdrew the request on its understanding from intervenors and Board staff that there would be, a specific mechanism in 3rd generation IRM to address the specific concern. While VECC accepted that the revenue loss associated with the Subject Customer should be considered in this case for Z-factor treatment, VECC raised a number of matters which in its view would operate to offset a portion of the quantum claimed by COLLUS. This led to VECC's suggestions that the lost revenue for the 2009 year should be recalculated and, thereafter, the forecast total load should be compared to actual.

In its reply argument, COLLUS responded to Board staff's arguments and position that its request does not qualify for Z factor treatment, arguing that it is a Z factor, and maintained that the relief it is seeking for the Transformer Ownership Allowance is appropriate.

With respect to VECC's concerns regarding the overstatement of the claim, COLLUS re-calculated the revenue loss on a different basis where some offsets from the cost side were identified, resulting in a reduced revenue loss claim of $496,757. This amount consists of the same $66,410 for the period November 1, 2009 to April 30, 2010, a reduced claim of $354,747 for the IRM years 2010, 2011 and 2012 ($118,249 each year), and the same $75,600 (the same $25,200 for each of years 2010, 2011, and 2012) for the Transformer Ownership Allowance.

The Board has considered the fact that the Board's current 3rd generation IRM policy specifically excludes loss of customer load as an issue to be dealt with in the IRM process. Also, the Board has considered that Z factors are meant to capture costs arising from historical events only, the best example being that of costs associated with storm damage. On the plain words of the Board's policy, COLLUS' application does not qualify as a Z factor.

However, for the reasons set below, the Board determined that the application should not fail without further consideration for relief simply because it does not meet the Board's policy definition of a Z factor.. There are certain unusual and unique circumstances that are observable here that merit consideration.

First, had the revenue loss been associated strictly or largely from lost distribution margin from lower sales to the Subject Customer, whether or not it involved reclassification, any requested relief may not have been appropriate given the Board's expectation that distributors should be able to manage such risks. This is not determinative of the case here. Some $95,000 or 80% of the revised annual revenue loss arises from reduced monthly charges from the Subject Customer and only some 20% from reduced kWh load forecast. Therefore, it is not as much a load forecast issue as it is a revenue loss issue caused by the substantial differences of rate design between the Large Use and the GS>50 kW rate classes, where a large portion of the revenue requirement in the Large Use class comes through the fixed charge component. This is perhaps the most unusual and unique aspect of this case compared to other requests for rate relief arising from load reductions. In this regard, it is noteworthy that the customer reclassification was not optional; it was made pursuant to the Distribution System Code.

Second, this is not the case of the load forecast being inaccurate temporarily or that it will be short lived. Based on the evidence, it is likely that the closure of the Subject Customer's two of the four operations are permanent and the impact on COLLUS, unless addressed, is a live issue as it will impact COLLUS' operations throughout the IRM plan term (to 2013), 2010 being only the first IRM plan year.

Third, as the quantum of the revenue loss does not present an Off-Ramp situation, the matter needs to be reviewed in a process other than Off-Ramp. Requiring a cost of service rate proceeding to address this issue, as Board staff suggests, would not be efficient under these circumstances. The issue here is discrete. It has to do with the validity of the load forecast in light of the reclassification of COLLUS' only customer in the Large Use rate class. Given that COLLUS went through a cost of service review very recently (in 2009), had COLLUS filed for another cost of service application or files one shortly as it said it would consider doing, there would be good reasons to attempt to persuade the Board to limit the review to the load forecast, with any applicable cost reductions associated with the lower load forecast for the Subject Customer. This might not be the case if the last cost of service review was done some distant time ago; COLLUS' rates were rebased just a short while ago. Also, a cost of service review would interrupt the IRM plan term for COLLUS at a very early stage, thereby jeopardizing the achievement of the numerous benefits of an IRM regime. Further, the Board has already heard the matter in this IRM proceeding and there is no good reason to cause a premature cost of service proceeding. This would be an expensive way of dealing with the issue, the costs of which would ultimately be borne by customers. Cost of service proceedings can cost hundreds of thousands of dollars, which would negate, in this case, the relief sought significantly if not entirely.

Fourth, it appears to be accepted by parties that COLLUS withdrew its request in the 2009 rate proceeding for a variance account on an understanding that it would have recourse by what it understood to be a Z factor type application within the IRM regime.

While COLLUS' claim is not determinative of the issue, it is a claim on which the Board has placed some weight in its consideration of this matter. Specifically, the Board noted that the variance account request was withdrawn in February 2009, which preceded the publication of the Board's July 2009 3rd generation policy that specifically excluded customer load losses as a Z factor.

In the circumstances, the Board has determined that it would be appropriate to accept the application and review it on a different basis. The Board has in certain other cases found an application for relief to be misframed but proceeded to assess the request on different basis. One such example is the relief requested by Hydro One Distribution (EB-2008-0187) under the incremental capital module provision within the 3rd generation IRM framework where the Board rejected the framing of the application but proceeded to assess the application on its merits.

Section 21.1(1) of the Standard Powers and Procedures Act ("SPPA") provides that a tribunal may review all or any part of its own decision or order, and may confirm, vary, suspend or cancel the decision or order. The Board can review its decisions on its own motion or on request by a party. While COLLUS' application is not technically framed as a motion to review, it is effect a request to vary the Board's 2009 rates decision. In any event, the Board does have the power to review its own decisions on its own motion.

The Board's Rules of Practice and Procedure refer to situations for grounding a review. One such situation is the presentation of a new fact. The reclassification of the Subject Customer is a new fact. The complication here is that a request for a variance account was made in the 2009 rates proceeding but was subsequently withdrawn. It is accepted that COLLUS did not expect the reclassification of the Subject Customer. It is also accepted that COLLUS' request for a variance account was an attempt of risk mitigation given the history of its previous other Large Use customer and the unique size and potential impact of the remaining Large Use customer relative to COLLUS' overall customer profile.

The Board has therefore assessed the application on whether the current load forecast underpinning the rates continues to be reasonable given that new fact of reclassification of the Subject Customer.

It is accepted that the revenue forecast as a result of the reclassification of the Subject Customer is significantly worse than what it would have been had there been no reclassification. The potential revenue loss is approximately 3.4% of the distributor's annualized distribution revenues based on the original claim and 2.3% on the revised claim. While these levels may not be as high as in some other cases where the Board had provided relief in the past, it is not reasonable, in the circumstances, to expect COLLUS to be able to cope with the impact of such levels of revenue loss viewed from the perspective of the full IRM plan term, to 2013. To do so, on the record adduced, would place COLLUS in a difficult situation in meeting it's operational and capital expenditure needs going forward - needs which were determined to be reasonable under a cost of service review just a short while ago.

COLLUS noted the specific cost reductions made by the Board in its 2009 revenue requirement decision and provided evidence in support of its contention that there is no discretionary spending room in the 2009 Board-approved revenue requirement. COLLUS identified three capital projects that would potentially be curtailed for lack of adequate funding and affecting reliability, and noted that its lower revenues would limit its ability to follow the requirements of the Board flowing from the Green Energy Act and to complete the Smart Meter implementation plan. Neither Board staff nor VECC challenged COLLUS' evidence on the potential impact of the reduced revenues on its operations. The Board has no reason to believe that in this specific case concerns about the noted impacts from lower revenues of the magnitude in question are not genuine. While it is the Board's expectation that a significant revenue reduction should be accompanied by additional efforts of cost minimization from a total utility perspective, in this case the Board has not found that additional cost cutting efforts in other utility areas are feasible, or at least of sufficient magnitude to offset the requested relief in a meaningful way.

The Board notes that in its reply argument COLLUS provided information that shows that its actual 2009 load does not exceed the 2009 forecast load. This is evidence that Board staff and VECC did not have before filing their arguments. Therefore, while the Board takes some comfort with having that information as it is by nature of data, since it was not tested the Board has placed only some weight on it in making its determinations.

In the result, the Board finds that relief should be provided to COLLUS for the IRM plan term. The specifics are set out below. For the reasons set out below, the Board does not provide any relief for the 2009 rate year.

COLLUS calculated and fashioned the relief in a Z factor framework, including the use of rate riders. As the Board has not considered the application to be of a Z factor type, the method of recovery need not be restricted to the Z factor architecture. Given that 2010 is only the first year of the IRM plan term, the Board finds that a more practical method would be to first determine revised 2009 rates based on a revised 2009 revenue requirement as the base on which to apply the IRM rate adjustments for 2010 and beyond.

The revised base revenue requirement and rates will be calculated on the new load and revenue forecast using 3,500 kW and 1,750,000 kWh per month, as forecast by COLLUS. The offsets from reduced costs identified by COLLUS in response to VECC's submissions shall be reflected in the revenue requirement calculation. The Board accepts that it is reasonable to include in the revised base revenue requirement the Ownership Transfer Allowance of $25,200 as this amount reflects the additional Ownership Transfer Allowance impact of the Subject Customer's reclassification. The Board will apply the necessary changes to the COLLUS 2010 IRM3 Supplemental Filing Module and 2010 IRM3 Rate Generator reflecting the above findings.

The Board expects COLLUS to advise the Board immediately should for any reason the Subject Customer be reverted back to the Large Use rate class during COLLUS' IRM plan term.

With respect to the $66,410 relief amount associated with revenue loss for the period November 1, 2009 to April 30, 2010, and as COLLUS' application has not been accepted of a Z factor type, the Board denies this part of COLLUS' application. Given the timing of the application and the time that is required for its assessment, any relief provided in respect of the 2009 rate year would be retroactive ratemaking. The Board is on record that it does not endorse retroactivity. The Board finds no compelling reasons to deviate from this principle and general practice in this case.

Introduction of MicroFit Generator Service Classification and Rate

Ontario's Feed-In Tariff (FIT) program for renewable energy generation was established in the *Green Energy and Green Economy Act, 2009*. The program includes a stream called Micro FIT, which is designed to encourage homeowners, businesses and others to generate renewable energy with projects of 10 kilowatts (kW) or less.

In its EB-2009-0326 Decision and Order, issued February 23, 2010, the Board approved the following service classification definition, which is to be used by all licensed distributors:

microFIT Generator

> *This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system.*

On March 17, 2010, the Board approved a province-wide fixed service charge of $5.25 per month for all electricity distributors effective September 21, 2009.

The microFIT Generator service classification and the service charge will be included in the Tariffs of Rates and Charges.

Rate Model

The Board is providing COLLUS with a rate model (spreadsheet) and a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2009 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

The Board Orders That:

1. COLLUS' new distribution rates shall be effective May 1, 2010.

2. COLLUS shall review the draft Tariff of Rates and Charges set out in Appendix A. COLLUS shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed

explanation of any inaccuracies or missing information, within seven (7) calendar days of the date of this Decision and Order.

If the Board does not receive a submission by COLLUS to the effect that inaccuracies were found or information was missing pursuant to item 1 of this Decision and Order:

3. The draft Tariff of Rates and Charges set out in Appendix A of this order will become final, effective May 1, 2010, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2010.

If the Board receives a submission by COLLUS to the effect that inaccuracies were found or information was missing pursuant to item 1 of this Decision and Order, the Board will consider the submission of COLLUS and will issue a final Tariff of Rates and Charges.

4. COLLUS shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

Cost Awards

The Board will issue a separate Decision on cost awards once the following steps are completed:

1. Intervenors eligible for cost awards shall submit their cost claims by no later than 7 days from the date of this Decision and Order.

2. COLLUS shall file its response, if any, by no later than 14 days from the date of this Decision and Order.

3. Intervenors shall file its reply to COLLUS' response by no later than 21 days from the date of this Decision and Order.

DATED at Toronto, March 31, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Decision and Order

EB-2009-0220

March 31, 2010

COLLUS Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0220

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (Based on 30 day month)	$	9.40
Smart Meter Funding Adder	$	2.00
Distribution Volumetric Rate	$/kWh	0.0178
Low Voltage Service Rate	$/kWh	0.0012
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2011	$/kWh	(0.0013)
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2011	$/kWh	(0.0026)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0054
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0033

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

COLLUS Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

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EB-2009-0220

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (Based on 30 Day Month)	$	17.86
Smart Meter Funding Adder	$	2.00
Distribution Volumetric Rate	$/kWh	0.0112
Low Voltage Service Rate	$/kWh	0.0011
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2011	$/kWh	(0.0007)
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2011	$/kWh	(0.0024)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0028

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

COLLUS Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

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EB-2009-0220

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (Based on 30 Day Month)	$	98.68
Smart Meter Funding Adder	$	2.00
Distribution Volumetric Rate	$/kW	2.2849
Low Voltage Service Rate	$/kW	0.4442
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2011		
Applicable only for Non-RPP Customers	$/kW	0.1185
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2011	$/kW	(0.0477)
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2011	$/kW	(0.9907)
Retail Transmission Rate – Network Service Rate	$/kW	2.0113
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.1456

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

COLLUS Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
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EB-2009-0220

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per customer)	$	0.0176
Distribution Volumetric Rate	$/kWh	0.0011
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2011	$/kWh	(0.0007)
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2011	$/kWh	(0.0017)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0028

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

COLLUS Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

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EB-2009-0220

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	2.52
Distribution Volumetric Rate	$/kW	11.2240
Low Voltage Service Rate	$/kW	0.3434
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2011	$/kW	(0.2782)
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2011	$/kW	(0.7868)
Retail Transmission Rate – Network Service Rate	$/kW	1.5169
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.8856

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

COLLUS Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

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EB-2009-0220

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component – effective September 21, 2009

Service Charge	$	5.25

COLLUS Power Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0220

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$	(0.60))
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Customer Administration		
Charge to certify cheque	$	15.00
Arrears certificate	$	15.00
Statement of account	$	15.00
Pulling post dated cheques	$	15.00
Duplicate invoices for previous billing	$	15.00
Account history	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned cheque charge (plus bank charges)	$	15.00
Legal letter Charge	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Special meter reads	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	$	20.00
Collection of account charge – no disconnection – after regular hours	$	165.00
Disconnect/Reconnect at meter - during regular hours	$	40.00
Disconnect/Reconnect at meter - after regular hours	$	185.00
Disconnect/Reconnect at pole - during regular hours	$	185.00
Disconnect/Reconnect at pole - after regular hours	$	415.00
Service call – after regular hours	$	165.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

COLLUS Power Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2009-0220

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0750
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0397
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0643
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0340