



EB-2011-0153

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 Bluewater
Power Distribution Corporation for an order or orders
approving or fixing just and reasonable distribution rates
and other charges, to be effective May 1, 2012.

BEFORE: Karen Taylor
Presiding Member

Paula Conboy
Member

DECISION AND ORDER

Introduction

Bluewater Power Distribution Corporation (“Bluewater”), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the “Board”) on October 3, 2011 under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Bluewater charges for electricity distribution, to be effective May 1, 2012.

Bluewater is one of 77 electricity distributors in Ontario regulated by the Board. The *Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors* (the “IR Report”), issued on July 14, 2008, establishes a three year plan term for 3rd generation incentive regulation mechanism (“IRM”) (i.e., rebasing plus three years). In its October 27, 2010 letter regarding the development of a Renewed

Regulatory Framework for Electricity (“RRFE”), the Board announced that it was extending the 3rd generation IRM plan until such time as the RRFE policy initiatives have been substantially completed. As part of the plan, Bluewater is one of the electricity distributors that will have its rates adjusted for 2012 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 IR Report, its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors* on September 17, 2008 (the “*Supplemental Report*”), and its *Addendum to the Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors* on January 28, 2009 (collectively the “*Reports*”). Among other things, the Reports contain the relevant guidelines for 2012 rate adjustments for distributors applying for distribution rate adjustments pursuant to the IRM process. On June 22, 2011 the Board issued an update to Chapter 3 of the Board’s *Filing Requirements for Transmission and Distribution Applications* (the “*Filing Requirements*”), which outlines the Filing Requirements for IRM applications based on the policies in the Reports.

Notice of Bluewater’s rate application was given through newspaper publication in Bluewater’s 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 Notice of Application indicated that intervenors would be eligible for cost awards with respect to Bluewater’s proposed revenue-to-cost ratio adjustments and its request for lost revenue adjustment mechanism (“LRAM”) recoveries. The Vulnerable Energy Consumers Coalition (“VECC”) applied for and was granted intervenor status in this proceeding. The Board granted VECC eligibility for cost awards in regards to Bluewater’s request for LRAM recoveries and any revenue-to-cost ratio matters that go beyond the implementation of previous Board decisions. 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 proceeding, 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;
- Rural or Remote Electricity Rate Protection;
- Revenue-to-Cost Ratio Adjustments;
- Shared Tax Savings Adjustments;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Account Balances;
- Review and Disposition of Account 1521: Special Purpose Charge;
- Review and Disposition of Account 1562: Deferred Payments in Lieu of Taxes;
- Review and Disposition of Lost Revenue Adjustment Mechanism; and
- Smart Meter Funding Adder.

Price Cap Index Adjustment

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 a stretch factor.

On March 13, 2012, the Board announced a price escalator of 2.0% for those distributors under IRM that have a rate year commencing May 1, 2012.

The stretch factors are assigned to distributors based on the results of two benchmarking evaluations to divide the Ontario industry into three efficiency cohorts. In its letter to Licensed Electricity Distributors dated December 1, 2011 the Board assigned to Bluewater efficiency cohort 2 and a cohort specific stretch factor of 0.4%.

On that basis, the resulting price cap index adjustment is 0.88%. The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across customer classes that are not eligible for Rural or Remote Electricity Rate Protection. The price cap index adjustment will not apply to the following components of delivery 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;
- MicroFIT Service Charges; and
- Retail Service Charges.

Rural or Remote Electricity Rate Protection

On December 21, 2011, the Board issued a Decision with Reasons and Rate Order (EB-2011-0405) establishing the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for 2012. The Board amended the RRRP charge to be collected by the Independent Electricity System Operator from the current \$0.0013 per kWh to \$0.0011 per kWh effective May 1, 2012. The final Tariff of Rates and Charges attached to this Decision and Order reflects the new RRRP charge.

Revenue-to-Cost Ratio Adjustments

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 and in its updated report *Review of Electricity Distribution Cost Allocation Policy*, dated March 31, 2011.

Pursuant to the Settlement Proposal approved by the Board in Bluewater’s 2009 cost of service application [EB-2008-0221], it was agreed that for the 2012 rate year Bluewater would adjust the Street Lighting and Sentinel Lighting categories to a revenue-to-cost ratio of 0.85. The excess revenue would be allocated to the General Service Less Than 50 kW and Large Use rate classes.

The table below outlines the proposed revenue-to-cost ratios.

Rate Class	Current 2011 Ratio	Proposed 2012 Ratio	Target Range
Residential	103.00%	103.00%	85 – 115
General Service Less Than 50 kW	104.85%	103.00%	80 – 120
General Service 50 to 999 kW	90.00%	90.00%	80 – 180
General Service 1,000 to 4,999 kW	101.00%	101.00%	85 – 115
Large Use	104.85%	103.00%	80 – 120
Street Lighting	75.33%	85.00%	70 – 120
Sentinel Lighting	72.33%	85.00%	70 – 120
Unmetered Scattered Load	80.00%	85.00%	80 – 120

Both Board staff and VECC submitted that the proposed revenue-to-cost ratio adjustments were in accordance with the Board approved Settlement Agreement in Bluewater's 2009 cost of service proceeding.

The Board approves the proposed revenue to cost ratios as the proposed adjustments are in accordance with EB-2008-0221.

Shared Tax Savings Adjustments

In its Supplemental Report, the Board determined that a 50/50 sharing of the impact of currently known legislated tax changes, as applied to the tax level reflected in the Board-approved base rates for a distributor, is appropriate.

The calculated annual tax reduction over the IRM plan term will be allocated to customer rate classes on the basis of the Board-approved base-year distribution revenue. These amounts will be refunded to customers each year of the plan term, over a 12-month period, through a volumetric rate rider using annualized consumption by customer class underlying the Board-approved base rates.

Bluewater's application identified a total tax savings of \$505,462 resulting in a shared amount of \$252,731 to be refunded to rate payers.

In its submission, Board staff noted that Bluewater completed the Tax-Savings Workform with the correct rates which reflected the Revenue Requirement Work Form from the Board's Decision in EB-2008-0221. Board staff had no concerns with the workform filed.

The Board approves the disposition of the shared tax savings amount of a credit of \$252,731 over a one year period (i.e. May 1, 2012 to April 30, 2013).

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"). Variance 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. variance Accounts 1584 and 1586).

On June 22, 2011 the Board issued revision 3.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the "RTSR Guideline"). The RTSR Guideline outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2012. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new UTR levels and the revenues generated under existing RTSRs. The objective of resetting the rates is to minimize the prospective balances in Accounts 1584 and 1586. In order to assist electricity distributors in the calculation of the distributors' specific RTSRs, Board staff provided a filing module.

On December 20, 2011 the Board issued its Rate Order for Hydro One Transmission (EB-2011-0268) which adjusted the UTRs effective January 1, 2012, as shown in the following table:

2012 Uniform Transmission Rates

Network Service Rate	\$3.57 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.80 per kW
Transformation Connection Service Rate	\$1.86 per kW

In its submission, Board staff noted that it has no concerns with the RTSR Workform as filed by Bluewater.

The Board finds that these 2012 UTRs are to be incorporated into the filing module.

Review and Disposition of Group 1 Deferral and Variance Account Balances

The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative* (the "EDDVAR Report") provides that, during the IRM plan term, the distributor's Group 1 account balances will be reviewed and disposed 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.

Bluewater's 2010 actual year-end balance for Group 1 Accounts including interest projected to April 30, 2012 is a credit of \$2,112,461. This amount results in a total claim of -\$0.00203 per kWh, which exceeds the preset disposition threshold. Bluewater proposed to dispose of this credit amount over a two year period.

In interrogatories, Board staff noted variances between Bluewater's RRR filings and its December 31, 2010 ending balances. In its response, Bluewater noted that it had analyzed its Group 1 Accounts and noted that these variances were the result of the difference between i) the actual amount of carrying charges based on prescribed rates recorded in previous years by Bluewater and ii) the OEB approved disposition amounts which included forecast carrying charges at the time of the respective rate applications. Bluewater noted that it intends to allocate these historical variances to either Account 4405 or 6035 to reverse these charges.

In its submission, Board staff noted that Bluewater's explanation for the variances between its RRR and December 31, 2010 Group 1 Deferral and Variance Account balances is reasonable. Also, Board staff took no issue with Bluewater's request to dispose of its 2010 Group 1 Account balances at this time over the requested two year period to allow for the smoothing of rates.

With respect to the allocation of the variances to either Account 4405 or 6035, Board staff noted that this should not be done as these variances will be trued-up as part of

Bluewater's future rate proceeding, when the residual balance in the recoveries account 1595 should be disposed.

The Board notes that the disposition threshold of \$0.001 has been exceeded. Accordingly, the Board will approve the disposition of Bluewater's Group 1 Deferral and Variance Account balances of a credit of \$2,112,461 on a final basis as of December 31, 2010 plus interest to April 30, 2012. The Board approves a disposition period of two years - May 1, 2012 to April 30, 2014, as requested by Bluewater. The Board is of the view that a two-year disposition period appropriately aligns the issues of intergenerational equity with the need to mitigate rate volatility. The Board concurs with Board staff that Bluewater should not undertake the reallocation of variances to either Account 4405 or 6035, as these variances should be trued-up in a future proceeding.

The table below identifies the principal and interest amounts approved for disposition for Group 1 Accounts.

Account Name	Account Number	Principal Balance	Interest Balance	Total Claim
LV Variance Account	1550	-\$66,902	-\$2,653	-\$69,555
RSVA - Wholesale Market Service Charge	1580	-\$1,369,743	-\$36,832	-\$1,406,575
RSVA - Retail Transmission Network Charge	1584	-\$57,194	-\$1,158	-\$58,352
RSVA - Retail Transmission Connection Charge	1586	-\$112,481	-\$4,600	-\$117,081
RSVA - Power (excluding Global Adjustment)	1588	-\$213,825	\$11,359	-\$202,466
RSVA - Power - Sub-Account - Global Adjustment	1588	-\$275,380	\$16,948	-\$258,432
Disposition and Recovery of Regulatory Balances (2008)	1595			-
Disposition and Recovery of Regulatory Balances (2009)	1595			-
Group 1 Total				-\$2,112,461

For accounting and reporting purposes, the respective balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances is effective in rates, which generally is the start of the rate year (e.g. May 1). This entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (3rd Quarter) RRR data reported.

Review and Disposition of Account 1521: Special Purpose Charge

The Board authorized Account 1521, Special Purpose Charge Assessment (“SPC”) Variance Account in accordance with Section 8 of Ontario Regulation 66/10 (Assessments for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs) (the “SPC Regulation”). Accordingly, any difference between (a) the amount remitted to the Minister of Finance for the distributor’s SPC assessment and (b) the amounts recovered from customers on account of the assessment were to be recorded in “Sub-account 2010 SPC Assessment Variance” of Account 1521.

In accordance with Section 8 of the SPC Regulation, distributors are required to apply no later than April 15, 2012 for an order authorizing the disposition of any residual balance in sub-account 2010 SPC Assessment Variance. The Filing Requirements state the Board’s expectation that requests for disposition of this account balance would be heard as part of the proceedings to set rates for the 2012 year.

Bluewater requested the disposition of a residual debit balance of \$2,709 as at December 31, 2010, plus collections in 2011 and carrying costs until April 30, 2012.

Board staff submitted that despite the usual practice, the Board should authorize the disposition of Account 1521 as of December 31, 2010, plus the amounts recovered from customers in 2011, including interest, because the account balance does not require a prudence review, and electricity distributors are required by regulation to apply for disposition of this account. Board staff submitted that the \$2,709 debit balance in Account 1521 should be approved for disposition on a final basis.

The Board approves, on a final basis, Bluewater's request for the disposition of the principal and interest balances in Account 1521 totaling a debit of \$2,709 over a two year period, consistent with the Board's findings on Bluewater's Group 1 Deferral and Variance account balances. The Board directs Bluewater to close account 1521 as of May 1, 2012.

For accounting and reporting purposes, the balance of Account 1521 shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances is effective in rates, which generally is the start of the rate year (e.g. May 1). This entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (3rd Quarter) RRR data reported.

Review and Disposition of Account 1562: Deferred Payments in Lieu of Taxes

In 2001, the Board approved a regulatory payments in lieu of taxes proxy approach for rate applications coupled with a true-up mechanism filed under the RRR to account for changes in tax legislation and rules and to true-up between certain proxy amounts used to set rates and the actual amount of taxes paid. The variances resulting from the true-up were tracked in Account 1562 for the period 2001 through April 30, 2006.

On November 28, 2008, pursuant to sections 78, 19 (4) and 21 (5) of the *Ontario Energy Board Act, 1998*, the Board commenced a Combined Proceeding (EB-2008-0381) on its own motion to determine the accuracy of the final account balances with respect to Account 1562 Deferred Payments in Lieu of Taxes ("Deferred PILs") (for the period October 1, 2001 to April 30, 2006) for certain electricity distributors that filed 2008 and 2009 distribution rate applications.

The Notice in the Combined Proceeding included a statement of the Board's expectation that the decision resulting from the Combined Proceeding would be used to determine the final account balances with respect to Account 1562 Deferred PILs for the remaining distributors. In its decision and order, the Board stated that: "Each remaining distributor will be expected to apply for final disposition of account 1562 with its next general rates application (either IRM or cost of service)."¹

¹ EB-2008-0381 Account 1562 Deferred PILs Combined Proceeding, Decision and Order, p. 28

Bluewater applied to dispose of a credit balance of \$638,656 which included a principal balance of a credit of \$555,943 and carrying charges up to April 30, 2012 of \$82,713 over a two year period.

CDM Incremental OM&A Expenses

Board staff requested Bluewater to clarify whether the company incurred and disclosed expenses related to CDM activities in its 2005 financial statements as a component of net income; and, that Bluewater provide an explanation for the difference in the amounts disclosed in the interrogatory response of \$104,549 for CDM costs incurred and in the financial statements of \$362,532.

Board staff noted that If Bluewater incurred CDM expenses in its 2005 net income, Bluewater should select one of two options: 1) Record the 2005 actual CDM expense of \$104,549 (or \$362,532) in 2005 SIMPIL model TAXCALC sheet; or, 2) Move the CDM proxy amount of \$127,600 to a line that does not true-up. Further, Board staff noted that if Bluewater had deferred all CDM capital and operating expenses amounting to \$362,532 as at December 31, 2005 in account 1565, Bluewater should explain whether those CDM amounts have been disclosed on 2005 SIMPIL sheet TAXREC3 as part of the changes in regulatory assets, and if so, where specifically they were disclosed.

Other than the possible adjustment for CDM expenses as discussed above, and any resulting changes to interest carrying charges, Board staff submitted that Bluewater followed the regulatory guidance and the Board's decisions in determining the amounts recorded in Account 1562.

In its reply submission, Bluewater proposed to follow Board Staff's recommendation #1 as indicated above. As a result, the revised Account 1562 balance is a credit of \$706,229 consisting of a principal credit amount of \$614,040 plus related credit carrying charges of \$92,189.

The Board approves the disposition of a credit balance of \$706,229 on a final basis as at April 30, 2012 over a two year period, consisting of a principal credit amount of \$614,040 plus carrying charges of \$92,189. The two year disposition period is consistent with the Board's findings on Bluewater's Group 1 Deferral and Variance account balances.

For accounting and reporting purposes, the balance of Account 1562 shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the Accounting Procedures Handbook for Electricity Distributors. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances is effective in rates, which generally is the start of the rate year (e.g. May 1). This entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (3rd Quarter) RRR data reported.

Review and Disposition of Lost Revenue Adjustment Mechanism

The Board's *Guidelines for Electricity Distributor Conservation and Demand Management* (the "CDM Guidelines") issued on March 28, 2008 outline the information that is required when filing an application for LRAM or SSM.

Initially, Bluewater had applied for an LRAM amount of \$303,393.37 to be recovered over a one year period. In response to interrogatories from Board staff and VECC, Bluewater updated its LRAM amount with the 2010 OPA final results to \$308,567.16. The lost revenues include the effect of new 2010 programs as well as persistence of 2006-2009 programs in 2010, and the persistence of 2006-2010 programs for 2011.

2006-2009 Persisting Programs

Board staff submitted that the *Guidelines for Electricity Distributor Conservation and Demand Management* ("CDM Guidelines") state the following:

Lost Revenues are only accruable until new rates (based on a new revenue requirement and load forecast are set by the Board, as the savings would be assumed to be incorporated in the load forecast at that time.²

Board staff noted that in cases in which it was clear in the application or settlement agreement that an adjustment for CDM was not being incorporated into the load forecast specifically because of an expectation that an LRAM application would address the issue, and if this approach was accepted by the Board, then Board staff would agree that an LRAM application in this proceeding is appropriate. Board staff requested that

² EB-2008-0037, Section 5.2

Bluewater highlight in its reply whether the issue of an LRAM application was addressed in its most recent cost of service application.

Board staff submitted that in the absence of the above information, Bluewater should not be permitted to recover the requested persisting lost revenues from 2006-2009 CDM programs in 2010 or 2011 as these amounts should have been built into Bluewater's last approved load forecast, thereby dispensing with the need for LRAM.

VECC submitted that the load forecast methodology utilized by Bluewater and subsequently approved by the Board in its 2009 cost of service application included actual use and therefore included 2006 to 2007 CDM program impacts. VECC further submitted that Bluewater's regression model would capture not only historical savings but would carry forward into future years trends in the historical data regarding increased CDM savings over time that would be implicit in the 2009 forecast.

As a result, VECC submitted that there is already recognition of lost sales (and therefore revenues) in 2009 from additional 2008 and 2009 CDM programs accounted for in the 2009 load forecast. As there is no information available to indicate whether the savings implicitly included in the 2009 forecast are more or less than the actual impact of 2006 to 2009 CDM programs in 2009, VECC submitted that based on these considerations and the Board's Guidelines, lost revenue for Bluewater's 2006 to 2009 programs that persist into 2010 and 2011 are not accruable in 2010 and 2011.

In its reply submission, Bluewater noted that it did not include any CDM impacts in its load forecast and expected that it would be able to recover amounts through an LRAM application. Bluewater referred to the 2009 Settlement Agreement which states, "[f]or the sake of clarity, the revised forecast does not reflect in any way specific electricity conservation programs". Bluewater submitted that this last sentence in the Settlement Agreement served the sole purpose of highlighting its expectation that it would seek to recover lost revenues through a future LRAM claim.

2010 Programs

Bluewater has also requested the recovery of new savings arising from CDM programs delivered in 2010 and persisting savings from these programs through 2011.

Board staff submitted that Bluewater was under IRM in 2010 and therefore it could not have been reasonably expected to account for these new program savings at the time it rebased and had a new load forecast approved by the Board. Board staff supported the recovery of the lost revenues related to the new savings arising from 2010 programs. Board staff noted that the Board requested distributors to file for recovery of any and all LRAM amounts related to 2005-2010 CDM programs in their 2012 rate applications. Board staff suggested that Bluewater provide an updated LRAM amount for only 2010 program savings that took place in 2010, allocated by rate class, in its reply submission. VECC submitted that Bluewater calculated estimated lost revenues for 2006 to 2010 CDM Programs in 2011 based on the OPA's Measures and Assumptions list and OPA verified results available at the time of this application, which is not appropriate or in accordance with the Guidelines. VECC further submitted that in the absence of OPA input assumptions and verified final results for 2011, the LRAM claim should be adjusted to cover only lost revenues from new 2010 CDM programs in 2010.

In its reply, Bluewater referred to Chapter 2 of the Filing Requirements for Electricity Transmission and Distribution Applications and noted that, if this proceeding is its last opportunity to recover LRAM from 2006-2010 programs, including persistence in 2011 and 2012, it is appropriate to include 2012 amounts at this time, but only if the Board directs that this is Bluewater's last opportunity to claim these savings.

The Board acknowledges and accepts the provision in the Settlement Agreement relating to EB-2008-0221, which states: "For the sake of clarity, the revised forecast does not reflect in any way specific electricity conservation programs". Accordingly, the Board will approve LRAM recovery for the persistence of 2006 – 2009 programs in 2010 and the effect in 2010 of the programs implemented in 2010, totalling \$168,049.85 to December 31, 2010, plus interest to April 30, 2012. The Board will not approve recovery of persistence from 2006 to 2010 programs in 2011 and 2012, as it is premature to do so and inconsistent with the LRAM Guidelines. The Board approves a two year disposition period (i.e., May 1, 2012 to April 30, 2014), consistent with the Board's findings elsewhere in this Decision.

Smart Meter Funding Adder ("SMFA")

Bluewater requested that the Board approve the continuation of its current SMFA of \$2.00 to April 30, 2013. Bluewater noted that although the physical deployment of Smart Meters was completed in 2011, Bluewater is experiencing delays in implementing TOU

pricing. The Board approved the extension of the date for mandated TOU billing from October 2011 to January 31, 2012.

Board staff submitted that the Board could consider continuance of the current \$2.00 SMFA with a specific sunset date. Board staff noted that establishing a sunset date of October 31, 2012 would be suitable. By this time, Bluewater should have completed its smart meter program, including TOU implementation. Bluewater's 2011 costs would also be audited by then, so that total smart meter costs should satisfy the threshold that at least 90% of such costs are audited actuals.

In its reply submission, Bluewater stated that while it respects the intent of Board staff's submission of a sunset date of October 31, 2012, Bluewater believes that the proposed date is not practical, given the fact that there remains some uncertainty surrounding the implementation of Bluewater's TOU program. The October 31, 2012 date would deny Bluewater the option to submit its Smart Meter costs for final disposition as part of its 2013 rebasing application, despite that mechanism specifically being contemplated by the recent filing guidelines (i.e. G-2011-0001 Smart Meter Funding and Cost Recovery – Final Disposition).

The Board has determined that it will not approve the continuation of the existing SMFA of \$2.00 per metered customer per month past the present expiry date of April 30, 2012. The Board is of the view that the TOU date is not the relevant metric to consider with respect to whether it is appropriate to extend a SMFA. Rather, the relevant metric is the date by which smart meter deployment was or will be substantially completed. In this case, smart meter deployment was completed in August 2011. The SMFA was designed to fund the prospective deployment of smart meters with minimum functionality. It was not intended to fund the activities referenced by Bluewater, which are clearly outside of the minimum functionality pursuant to O. Reg. 425/06, the functional specification for an Advanced Metering Infrastructure issued on July 5, 2007, the Board's Decision in EB-2007-0063³, and SMFA and Cost Recovery guidelines dated October 22, 2008⁴.

The Board disagrees with Bluewater's interpretation of Guideline G-2011-0001, as final disposition in a cost of service is only one of the alternatives contemplated. The Board believes that the current sunset date best aligns the interests of ratepayers and the

³ Smart Meter Initiative Combined Proceeding (EB-2007-0063)

⁴ Guideline: Smart Meter Funding and Cost Recovery (G-2008-0002)

utility by balancing regulatory efficiency and streamlining with the need to ensure that monies collected from ratepayers serve the intended purpose and are adequately supported by appropriate amounts.

Rate Model

With this Decision, the Board is providing Bluewater with a rate model (spreadsheet) and applicable supporting models 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 2011 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. Bluewater's new distribution rates shall be effective May 1, 2012.
2. Bluewater shall review the draft Tariff of Rates and Charges set out in Appendix A. Bluewater 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 **7 days** of the date of issuance of this Decision and Order.
3. If the Board does not receive a submission from Bluewater to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this order will become final effective May 1, 2012, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2012. Bluewater shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.
4. If the Board receives a submission from Bluewater to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission of Bluewater and will issue a final Tariff of Rates and Charges.

Cost Awards

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

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Bluewater shall file with the Board and forward to VECC any objections to the claimed costs within **21 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to Bluewater any responses to any objections for cost claims within **28 days** from the date of issuance of the final Rate Order.
4. Bluewater shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2011-0153**, be made through the Board's web portal at, www.errr.ontarioenergyboard.ca and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 2 paper copies.

DATED at Toronto, March 22, 2012

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A
To Decision and Order
Draft Tariff of Rates and Charges
Board File No: EB-2011-0153
DATED: March 22, 2012

Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0153

RESIDENTIAL SERVICE CLASSIFICATION

All service supplied to single-family dwelling units for domestic or household purposes shall be classed as residential service. Where electricity service is provided for combined residential and business purposes (including agricultural usage) and the wiring does not provide for separate metering, the classification shall be in the discretion of Bluewater Power Distribution Corporation ("Bluewater Power") and shall be based on such considerations as the estimated predominant consumption or the municipal tax roll classification. A residential customer may be found in a detached, semi-detached, linear row housing, apartment building or mixed-use building. Where more than one dwelling is served by a single meter, that service shall be considered a General Service Customer. 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, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	13.80
Distribution Volumetric Rate	\$/kWh	0.0188
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014		
Applicable only to Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	0.0012
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0017)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2011) – effective until April 30, 2013	\$/kWh	0.0004
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2012) – effective until April 30, 2014	\$/kWh	0.0002
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kWh	(0.0005)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0057

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0153

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a customer not designated as Residential, and that over a twelve month period has, or a new customer forecast to have, an average monthly peak demand less than 50 kW, and has a monthly peak demand that never exceeds 100 kW. Bluewater Power shall review this rate class designation on an annual basis and the customer's designated rate class may change as a result. 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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	23.71
Distribution Volumetric Rate	\$/kWh	0.0166
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only to Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	0.0012
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0016)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery Rate Rider (2011) – effective until April 30, 2013	\$/kWh	0.0001
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery Rate Rider (2012) – effective until April 30, 2014	\$/kWh	0.0002
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0153

GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION

This classification applies to a customer not designated as Residential, and that over a twelve month period has, or a new customer forecast to have, an average monthly peak demand equal to or greater than 50 kW and less than 1,000 kW. This rate class designation is reviewed on an annual basis and the customer's designated rate class may change as a result. 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, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	142.00
Distribution Volumetric Rate	\$/kW	3.5617
Low Voltage Service Rate	\$/kW	0.0722
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only to Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.4186
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.4464)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery Rate Rider (2012) – effective until April 30, 2014	\$/kW	0.0149
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kW	(0.0614)
Retail Transmission Rate – Network Service Rate	\$/kW	2.5648
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9998

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0153

GENERAL SERVICE 1,000 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a customer not designated Residential, and that: over a twelve month period has, or a new customer forecast to have, an average monthly peak demand equal to or greater than 1,000 kW and less than 5,000 kW. This rate class designation is reviewed on an annual basis and the customer's designated rate class may change as a result. 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, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	3,121.63
Distribution Volumetric Rate	\$/kW	1.2790
Low Voltage Service Rate	\$/kW	0.0792
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only to Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.5237
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5105)
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kW	(0.0363)
Retail Transmission Rate – Network Service Rate	\$/kW	2.7241
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1923

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0153

LARGE USE SERVICE CLASSIFICATION

This classification applies to a customer not designated as Residential, and that over 12 consecutive billing periods has, or a new customer forecast to have, an average monthly peak demand equal to or greater than 5,000 kW. This rate class designation is reviewed on an annual basis and the customer's designated rate class may change as a result. 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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	24,427.60
Distribution Volumetric Rate	\$/kW	1.4610
Low Voltage Service Rate	\$/kW	0.0905
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers and excluding Wholesale Market Participants	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only to Non-RPP Customers and excluding Wholesale Market Participants	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013 Not Applicable to Wholesale Market Participants	\$/kW	0.6579
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013 Applicable only for Wholesale Market Participants	\$/kW	(0.0530)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 Not Applicable to Wholesale Market Participants	\$/kW	(0.7177)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013 Applicable only for Wholesale Market Participants	\$/kW	(0.1377)
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kW	(0.0470)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	3.0162
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.5070

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0153

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand is less than, or a new customer 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 Bluewater Power 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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	15.68
Distribution Volumetric Rate	\$/kWh	0.0426
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only to Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	0.0012
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0020)
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kWh	(0.0008)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0153

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. 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.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	3.43
Distribution Volumetric Rate	\$/kW	22.6299
Low Voltage Service Rate	\$/kW	0.0570
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.4944
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.8027)
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kW	(0.3944)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9441
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5783

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0153

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.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	2.14
Distribution Volumetric Rate	\$/kW	16.5512
Low Voltage Service Rate	\$/kW	0.0558
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only to Non-RPP Customers	\$/kWh	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.4212
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.6964)
Rate Rider for Tax Change (2012) – effective until April 30, 2013	\$/kW	(0.3152)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9342
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5461

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Bluewater Power Distribution Corp.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

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

EB-2011-0153

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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0153

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(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.

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Customer Administration		
Duplicate invoices for previous billing	\$	15.00
Income tax letter	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	10.00
Returned Cheque charge (plus bank charges)	\$	15.00
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	\$	30.00
Disconnect/Reconnect Charge - At Meter During Regular Hours	\$	65.00
Disconnect/Reconnect Charge - At Meter After Hours	\$	185.00
Specific Charge for Access to the Power Poles – \$/per pole/year	\$	22.35

Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0153

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.

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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 monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly 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	1.0356
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0253
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045