



RP-2002-0013

EB-2002-0022

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 EnWin
Powerlines Ltd. for an order or orders approving or
fixing just and reasonable rates.

BEFORE: Paul Vlahos
Vice Chair and Presiding Member

George Dominy
Vice Chair and Member

DECISION AND ORDER

On December 21, 2001 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for the March 1, 2002 distribution rate adjustments. Supplemental instructions were issued on January 18, 2002.

EnWin Powerlines Ltd. ("the Applicant") filed an Application ("the Application"), dated January 25, 2002, for an order or orders under section 78 of the *Ontario Energy Board Act, 1998* approving or fixing just and reasonable rates for the distribution of electricity, effective March 1, 2002.

The Applicant revised its application on February 8, 2002 and February 26, 2002 (collectively "the Revised Application").

The Board published a generic Notice in newspapers across Ontario informing ratepayers of the distribution rate adjustments to be effective March 1, 2002 and providing the opportunity for ratepayers to participate in the proceeding or comment on the utility's application. In response to the Board's generic Notice, the Board received a total of 148 submissions in the form of a letter, facsimile, or e-mail. The total may be apportioned to the following four categories:

- 100 were copies of a template submission seeking an oral hearing, wanting to make oral submissions, claiming that rates are not just and reasonable. Another 9 were of the same template but indicated they did not wish to make an oral submission.
- 10 indicated that there should be an oral hearing and wanted to make a submission.
- 11 indicated that there should be an oral hearing but did not wish to make an oral submission.
- 18 made substantive submissions.

In some cases the submission named a specific electricity distributor, in other cases it did not. The Applicant was named in three of the submissions.

By letter dated February 11, 2002 the Board directed electricity distributors to serve the Notice to the municipal corporation in the distributors' service area. No submissions were received.

The Applicant applied to adjust its distribution rates for the following:

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.
- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), \$2,022,214.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$1,809,057.
- the 2002 Payments in Lieu of Taxes (PILs), \$5,604,622.
- an adjustment to recover expenses related to Other Post Employment Benefits (OPEBs), \$1,031,408.
- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, \$439,695.

Copies of the Application and supporting material are available for review at the Board's offices.

While the Board has considered all of the evidence filed in this proceeding, the Board has only referenced the evidence to the extent necessary to provide background to its findings.

Board Findings

As noted above, a number of persons have written to the Board requesting that the Board hold an oral hearing in the matter of the applications by electricity distributors.

Under subsection 5.1(2) of the *Statutory Powers Procedure Act*, the Board shall not hold a written hearing where a party satisfies it that there is good reason not to hold a written hearing, in which case the Board will proceed by way of an oral or electronic hearing. Good reasons for proceeding by way of an oral hearing may include the existence of questions of credibility in which the Board will be assisted by the ability to observe the demeanor of witnesses or the complexity of evidence which parties should have the ability to test through cross-examination. Another good reason may be where an oral hearing would allow the Board to more expeditiously deal with an application.

The persons who have requested an oral hearing have not cited any such reasons but have in most cases merely stated that "the rates are not just and reasonable" and that they "would like the opportunity to present to the Board on this matter".

The current proceeding is an extension of the process undertaken by the Board to restructure Ontario's electricity distribution industry. To facilitate this work, the Board developed a regulatory framework that was the result of extensive consultation and public hearings. The current applications are the result of this framework, which is largely formulaic and includes for the first time the provision for the legislative requirement of PILs.

Persons have received an opportunity to make their concerns known to the Board through the published Notice which invited written submissions on the

applications. The Board notes that a written hearing is a public process in which all documents received by the Board are available to the public. The Board further notes that most of the issues raised by the submissions of the persons requesting an oral hearing are outside of the scope of the Board's jurisdiction in this proceeding. For example, some persons raised issues of privatization of electricity services and limitations in international trade agreements on the ability of the government to make changes to Ontario's electricity system in the future. These are not relevant to the Board's duty in this proceeding to approve just and reasonable rates for an individual distributor regulated by the Board.

Therefore, the Board has decided not to hold an oral hearing in this matter.

The Board adjusts the Applicant's proposals for the following reasons. With respect to OPEBs, the Board has not been able to verify the reasonableness of the \$1,031,408 amount claimed by the Applicant. The Board approves an interim OPEBs expense amount of \$593,232, representing the OPEBs expense amount shown on the Applicant's audited financial statements for 2000. The Applicant will have an opportunity at a later time to apply for adjustment to the OPEBs expense amount provided for in this Decision. Also, with respect to OPEBs, the Applicant did not include the OPEBs expense in its Payments in Lieu of Taxes (PILs) calculations. Finally, the Applicant did not follow the Board's instructions in calculating "Regulatory Net Income" and "Interest Expense" for the 2002 PILs worksheets.

As a result of the above findings, PILs are adjusted as follows:

- the 2001 deferred PILs is adjusted to correct for an understatement of \$50,220.

- the 2002 PILs is adjusted to correct for an understatement of \$292,980.


Subject to these adjustments, the Board finds that the Applicant's proposals in the Revised Application conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

THE BOARD ORDERS THAT:

- 1) The rates set out in Appendix "A" of this Order are approved effective March 1, 2002.
- 2) The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

DATED at Toronto, March 27, 2002.

ONTARIO ENERGY BOARD




Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

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March 27, 2002

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

EnWin Powerlines Ltd.
Schedule of Rates and Charges
Effective March 1, 2002

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Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31

Summer: All Hours, April 1 through September 30

Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays
including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto)
Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.

Off Peak: All Other Hours.

Cost of Power rates valid only until subsection 26(1) of the Electricity Act, 1998 comes into effect.

RESIDENTIAL

Monthly Service Charge	(per month)	\$7.68
Distribution Volumetric Rate	(per kWh)	\$0.0154
Cost of Power Rate	(per kWh)	\$0.0727

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	\$7.68
Distribution Volumetric Rate	(per kWh)	\$0.0154
Cost of Power - Winter Peak	(per kWh)	\$0.1218
Cost of Power - Winter Off Peak	(per kWh)	\$0.0420
Cost of Power - Summer Peak	(per kWh)	\$0.0942
Cost of Power - Summer Off Peak	(per kWh)	\$0.0264

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$22.32
Distribution Volumetric Rate	(per kWh)	\$0.0113
Cost of Power Rate	(per kWh)	\$0.0731

GENERAL SERVICE < 50 KW (Time of Use)

Monthly Service Charge	(per month)	\$22.32
Distribution Volumetric Rate	(per kWh)	\$0.0113
Cost of Power - Winter Peak	(per kWh)	\$0.1118
Cost of Power - Winter Off Peak	(per kWh)	\$0.0420
Cost of Power - Summer Peak	(per kWh)	\$0.0933
Cost of Power - Summer Off Peak	(per kWh)	\$0.0311

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GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	\$296.26
Distribution Volumetric Rate	(per kW)	\$2.4025
Cost of Power Demand Rate	(per kW)	\$6.6296
Cost of Power Energy Rate	(per kWh)	\$0.0519

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge	(per month)	\$380.86
Distribution Volumetric Rate	(per kW)	\$0.3076
Cost of Power - Winter Peak	(per kW)	\$10.3497
Cost of Power - Summer Peak	(per kW)	\$7.7894
Cost of Power - Winter Peak	(per kWh)	\$0.0702
Cost of Power - Winter Off Peak	(per kWh)	\$0.0420
Cost of Power - Summer Peak	(per kWh)	\$0.0593
Cost of Power - Summer Off Peak	(per kWh)	\$0.0311

LARGE USE

Monthly Service Charge	(per month)	\$16,306.28
Distribution Volumetric Rate	(per kW)	\$1.6876
Cost of Power - Winter Peak	(per kW)	\$10.5729
Cost of Power - Summer Peak	(per kW)	\$7.8681
Cost of Power - Winter Peak	(per kWh)	\$0.0684
Cost of Power - Winter Off Peak	(per kWh)	\$0.0410
Cost of Power - Summer Peak	(per kWh)	\$0.0579
Cost of Power - Summer Off Peak	(per kWh)	\$0.0304

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	\$3.88
Cost of Power Demand Rate	(per kW)	\$22.7624

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	\$1.51
Cost of Power Demand Rate	(per kW)	\$22.7540

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UNMETERED SCATTERED LOAD

Monthly Service Charge	(per month)	\$22.44
Cost of Power Rate	(per kWh)	\$0.0731

SPECIFIC SERVICE CHARGES

New Account Setup	\$	15.75
Change of Occupancy -during regular hours	\$	15.75
-after regular hours	\$	60.00
Account History		
Administration Fee	\$	10.00
Arrear's Certificate	\$	10.00
Late Payment Charge (per month)		2.00%
(per annum)		26.82%
Returned Cheque	\$	10.80
Collection of Account Charge	\$	8.80
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours	\$	17.60
At Meter - After Hours	\$	17.60
Temporary Pole Service		
-overhead, where secondary service is available (first 30metre	\$	248.00
-underground (first 30 metres)	\$	285.00
-underground (beyond 30 metres) (per metre)	\$	4.62
Sale of scrap wood poles- pole picked up by customer	\$	25.00
Cutting scrap wood poles (per pole)	\$	5.00
Disposal of broken concrete poles resulting from car accidents	\$	95.00
Annual Decorative Lighting Charge,		
including energy,connection and maintenance (per receptacle)	\$	305.00
Service calls - customer-owned equipment	\$	55.00
Diversity Adjustment Credit (per KW) Winter	\$	1.22
(discontinued at Market Opening) Summer	\$	1.06
Transformer Ownership Credit - for transformation that meets utility transformer loss specifications		
Service at less than 115 kV (per kW of billing demand)	\$	0.60
Service at 115 kV (per kW of billing demand)	\$	1.56
Special Billing Service		
Exp. Surplus Power Rate - 1% of surplus power quantities for line losses		
RTP II - 1% of RTP II power quantities above baseline for line losses		
Co-generation Back-Up		
Winter Billing Demand (per kW)	\$	13.40
Summer Billing Demand (per kW)	\$	10.03
Standby Facility Charge (per kW)	\$	0.56