

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998* S.O. 1998, c. 15 (Schedule B) (the "OEB Act");

**AND IN THE MATTER OF** a proceeding commenced by the Ontario Energy Board on its own motion to determine the accuracy of the final account balances with respect to account 1562 Deferred PILs (for the period October 1, 2001 to April 30, 2006) for certain 2008 and 2009 distribution rate applications before the Board.

**OEB DECISIONS FOR RATES EFFECTIVE March 1, 2002**

George Vegh

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**Counsel for the Coalition of Large Distributors and EnWin Utilities Ltd.**



Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0051  
EB-2002-0060

**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 Hydro  
Ottawa Limited 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.

Hydro Ottawa Limited ("the Applicant") filed an application ("the Application"), dated January 24, 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 11, 2002 ("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. Eight submissions specifically named the Applicant. However, none addressed the specifics of the Application.

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), \$9,307,000, which amount reflects a credit received by the Applicant for its Low Voltage Switch Gear assets;
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$3,741,490;
- the 2002 Payments in Lieu of Taxes (PILs), \$15,545,786, including a provision for PILs related to the proposed Z-factor;
- a Z-Factor recovery of \$6,307,000 to reflect the costs, net of reimbursement provided by the Government of Ontario, incurred as a result of the legislated amalgamation of the predecessor utilities of Ottawa, Nepean, Kanata, Gloucester and Goulbourn;
- harmonization of its current Time-of-Use and non-Time-of-Use streetlighting rates into a single Time-of-Use category, in a revenue-neutral manner; and
- a change in the Applicant's specific service charges for Dispute Meter Tests and a charge related to special meter reads (\$10 per request for unsuccessful reads and \$20 per request for successful reads).

Pursuant to the Board's decision dated January 14, 2002, the Applicant applied for a rate rider to recover uncollected revenues related to the first 1/3 MARR for the period August 1, 2001 to February 28, 2002.

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.

The Board notes that the Electricity Distribution Rate Handbook stipulates that costs related to corporate reorganization and to the transfer by-law whereby the municipal corporation acquires the assets of the municipal electricity distribution utility are not recoverable in rates. The Board therefore denies the Applicant's

claim for such costs. As a result, the rate adjustment model is adjusted for the following:

- the Z-factor of \$6,307,000 is removed; and
- the 2002 PILs is adjusted from \$15,545,786 to \$12,288,339 to exclude the PILs related to the capitalized portion of the amalgamation costs.

The Applicant applied for changes to its existing specific service charges or for the establishment of new charges. The Board recognizes that cost-related charges are an important regulatory principle and there should not be undue subsidization for specific services offered by the Applicant. The Board has not had an opportunity to deal with this issue and other issues related to the specific services offered and fees charged by Ontario's electricity distributors. The Board intends to initiate a comprehensive review of these issues at the earliest opportunity. In the meantime the Board is reluctant to deal with changes to the existing services and charges on a utility-specific and/or piecemeal basis, unless specifically required by Chapter 11 of the Rate Handbook to facilitate the processing of a Service Transaction Request. The Board therefore approves the Applicant's proposal to introduce the special meter reads charge but does not approve the change to charges for Dispute Meter Tests. In making this finding, the Board considers that the cost and revenue consequences for the Applicant appear to be minor.

The Board also makes the following corrections to the rate schedule submitted by the Applicant:

- correction to the charge for the Monthly No Loss Load (kW) for a 25 kVA 1 PH Transformer.



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- correction to reflect one annualized Diversity Credit, rather than two seasonal credits, at a rate of \$1.68 per kW.
- addition of charges for Un-Metered Scattered Loads with rates equivalent to those for the General Service < 50 kW customer class.


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 rate riders set out in Appendix "B" of this Order are hereby approved effective for the period March 1, 2002 to February 28, 2003.
- 3) The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

**DATED** at Toronto, March 7, 2002.

ONTARIO ENERGY BOARD


  
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Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0051  
EB-2002-0060

March 7, 2002

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary

**Hydro Ottawa Limited**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0051  
 EB-2002-0060

**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)	\$6.44
Distribution Volumetric Rate	(per kWh)	\$0.0122
Cost of Power Rate	(per kWh)	\$0.0730

**GENERAL SERVICE < 50 kW**

Monthly Service Charge	(per month)	\$7.36
Distribution Volumetric Rate	(per kWh)	\$0.0128
Cost of Power Rate	(per kWh)	\$0.0723

**GENERAL SERVICE > 50 kW**

Monthly Service Charge	(per month)	\$218.35
Distribution Volumetric Rate	(per kW)	\$1.66
Cost of Power Demand Rate	(per kW)	\$6.92
Cost of Power Energy Rate	(per kWh)	\$0.0513

**GENERAL SERVICE (Time of Use) \***

Monthly Service Charge	(per month)	\$3,316.09
Distribution Volumetric Rate	(per kW)	\$1.50
Cost of Power - Winter Peak	(per kW)	\$8.89
Cost of Power - Summer Peak	(per kW)	\$7.63
Cost of Power - Winter Peak	(per kWh)	\$0.0704
Cost of Power - Winter Off Peak	(per kWh)	\$0.0420
Cost of Power - Summer Peak	(per kWh)	\$0.0594
Cost of Power - Summer Off Peak	(per kWh)	\$0.0312

\* Eligible customers may qualify for "Restricted Hour Discount" and receive a discount of 25% off some or all of their monthly bill if they commit to restricting (and in fact restrict) their consumption during the stipulated restricted hours of the utility's monthly peak consumption. This discount applies to the portion of the bill referable to the load subject to restriction. If the load is operated during Hydro Ottawa Limited's monthly peak, then the customer pays a surcharge based on the cost of power from Ontario Power Generation plus 5%. This Discount will be discontinued when the electricity market opens to competition.

**Hydro Ottawa Limited**  
**Schedule of Rates and Charges -- Page 2**  
 Effective March 1, 2002

RP-2002-0051  
 EB-2002-0060

**LARGE USE \***

Monthly Service Charge	(per month)	\$12,585.17
Distribution Volumetric Rate	(per kW)	\$1.69
Cost of Power - Winter Peak	(per kW)	\$10.09
Cost of Power - Summer Peak	(per kW)	\$8.34
Cost of Power - Winter Peak	(per kWh)	\$0.0692
Cost of Power - Winter Off Peak	(per kWh)	\$0.0414
Cost of Power - Summer Peak	(per kWh)	\$0.0584
Cost of Power - Summer Off Peak	(per kWh)	\$0.0307
Diversity Adjustment Credit	(per kW)	\$1.68
(Diversity Credit to be discontinued upon market opening)		

**SENTINEL LIGHTS (Non Time of Use)\*\***

Monthly Service Charge	(per connection)	\$1.32
Distribution Volumetric Rate	(per kW)	\$5.41
Cost of Power Demand Rate	(per kW)	\$27.69

**STREET LIGHTING (Non Time of Use)\*\***

Monthly Service Charge	(per connection)	\$0.27
Distribution Volumetric Rate	(per kW)	\$1.58
Cost of Power - Winter	(per kW)	\$30.60
Cost of Power - Summer	(per kW)	\$11.59

**UNMETERED SCATTERED LOADS**

Un-metered scattered loads will be billed as General Service < 50 kW

Monthly Service Charge	(per month)	\$7.36
Distribution Volumetric Rate	(per kWh)	\$0.0128
Cost of Power Demand Rate	(per kWh)	\$0.0723

\* Eligible customers may qualify for "Restricted Hour Discount" and receive a discount of 25% off some or all of their monthly bill if they commit to restricting (and in fact restrict) their consumption during the stipulated restricted hours of the utility's monthly peak consumption. This discount applies to the portion of the bill referable to the load subject to restriction. If the load is operated during Hydro Ottawa Limited's monthly peak, then the customer pays a surcharge based on the cost of power from Ontario Power Generation plus 5%. This Discount will be discontinued when the electricity market opens to competition.

\*\* Sentinel Lighting and Street Lighting Charges are based on the following estimated monthly demands:

175 watt mercury vapour	0.210 kW
400 watt mercury vapour	0.0454 kW
70 watt high pressure sodium	0.090 kW
150 watt high pressure sodium	0.186 kW

Hydro Ottawa Limited  
 Schedule of Rates and Charges -- Page 3  
 Effective March 1, 2002

RP-2002-0051  
 EB-2002-0060

**SPECIFIC SERVICE CHARGES**

Account Set-up Charge			\$8.40
Arrears Certificate			\$10.00
Dispute Involvement Charge			\$5.00
Reconnection - seasonal service			\$175.00
Late Payment	(per month)	(Calculated on a daily basis on	1.50%
	(per annum)	outstanding balance)	19.56%
Returned Cheque Charge			\$11.00
Collection of Account Charge			\$5.00
Reconnection during regular working hours (For reconnection at the meter base)			\$20.00
Reconnection after regular working hours (For reconnection at the meter base)			\$50.00
Temporary Service - installation and removal			\$415.00
Allowance for Transformer Ownership per kW of Billing Demand			
Service less than 115 kV			\$0.45
Service at 115 kV			\$1.56
Special Meter Reads - successful			\$20.00
Special Meter Reads - unsuccessful			\$10.00
Dry Core Transformer Loss Charge		as per approved schedule (see page 4)	

Hydro Ottawa Limited  
Schedule of Rates and Charges -- Page 4  
Effective March 1, 2002

RP-2002-0051  
EB-2002-0060

Dry Core Transformer Loss Charge

Transformers	No Load Loss (W)	Load Loss (W)	Monthly No Load Loss (kW)	Monthly No Load Loss (kWh)	Monthly No Load Loss (kW)	Monthly No Load Loss (kWh)	Monthly Total Loss (kW)	Monthly Total Loss (kWh)	Cost of Demand \$5.05	Cost of Energy \$0.0552	Total Monthly Cost
25 kVA 1PH	150	900	0.113	82	0.048	9	0.161	91	0.81	5.11	5.92
37.5 kVA 1 PH	200	1200	0.150	110	0.064	12	0.214	121	1.08	6.81	7.89
50 kVA 1PH	250	1600	0.188	137	0.086	16	0.273	152	1.38	8.57	9.95
75 kVA 1PH	350	1900	0.263	192	0.102	18	0.364	210	1.84	11.81	13.65
100 kVA 1 PH	400	2600	0.300	219	0.139	25	0.439	244	2.22	13.73	15.95
150 kVA 1 PH	525	3500	0.394	287	0.187	34	0.581	321	2.93	18.07	21.00*
167 kVA 1 PH	650	4400	0.488	356	0.236	43	0.723	399	3.65	22.41	26.06
200 kVA 1PH	696	4700	0.522	381	0.252	46	0.774	427	3.91	23.99	27.89*
225 kVA 1PH	748	5050	0.561	410	0.270	49	0.831	459	4.20	25.78	29.98*
250 kVA 1 PH	800	5400	0.600	438	0.289	53	0.889	491	4.49	27.57	32.06
*15 kVA 3 PH	125	650	0.094	68	0.035	6	0.129	75	0.65	4.20	4.85*
*45 kVA 3 PH	300	1800	0.225	164	0.096	8	0.321	182	1.62	10.22	11.84
*75 kVA 3 PH	400	2400	0.300	219	0.129	23	0.429	242	2.16	13.62	15.78
*112.5 kVA 3 PH	600	3400	0.450	329	0.182	33	0.632	362	3.19	20.32	23.51
*150 kVA 3 PH	700	4500	0.525	383	0.241	44	0.766	427	3.87	24.00	27.87
*225 kVA 3 PH	900	5300	0.675	493	0.284	52	0.959	544	4.84	30.59	35.43
*300 kVA 3 PH	1100	6300	0.825	602	0.337	61	1.162	664	5.87	37.29	43.16
*500 kVA 3 PH	1500	9700	1.125	821	0.519	94	1.644	916	8.30	51.46	59.76
750 kVA 3 PH	2100	12000	1.575	1150	0.643	117	2.218	1267	11.20	71.18	82.38

No Load and load losses from CSA standard C802-94: Maximum losses for Distribution, Power and Dry-Type Transformers Commercial Use

Average load factor = 0.46 average loss factor = 0.2489  
Average per unit loading squared = 0.0714; per unit loading = 0.2672


\* For non-preferred kVA ratings no load and load losses are interpolated as per CSA standard

Appendix "B"

RP-2002-0051  
EB-2002-0060

March 7, 2002

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary

**Hydro Ottawa Limited  
Schedule of Rate Riders**

To be implemented from March 1, 2002 to February 28, 2003

RP-2002-0051  
EB-2002-0060

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$0.41
Distribution Volumetric Rate	(per kWh)	\$0.0008

**GENERAL SERVICE < 50 kW**

Monthly Service Charge	(per month)	\$0.44
Distribution Volumetric Rate	(per kWh)	\$0.0008

**GENERAL SERVICE > 50 kW**

Monthly Service Charge	(per month)	\$13.57
Distribution Volumetric Rate	(per kW)	\$0.11

**GENERAL SERVICE (Time of Use)**

Monthly Service Charge	(per month)	\$209.85
Distribution Volumetric Rate	(per kW)	\$0.09

**LARGE USE**

Monthly Service Charge	(per month)	\$771.65
Distribution Volumetric Rate	(per kW)	\$0.11

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.09
Distribution Volumetric Rate	(per kW)	\$0.38

**STREET LIGHTING (Non Time of Use)**

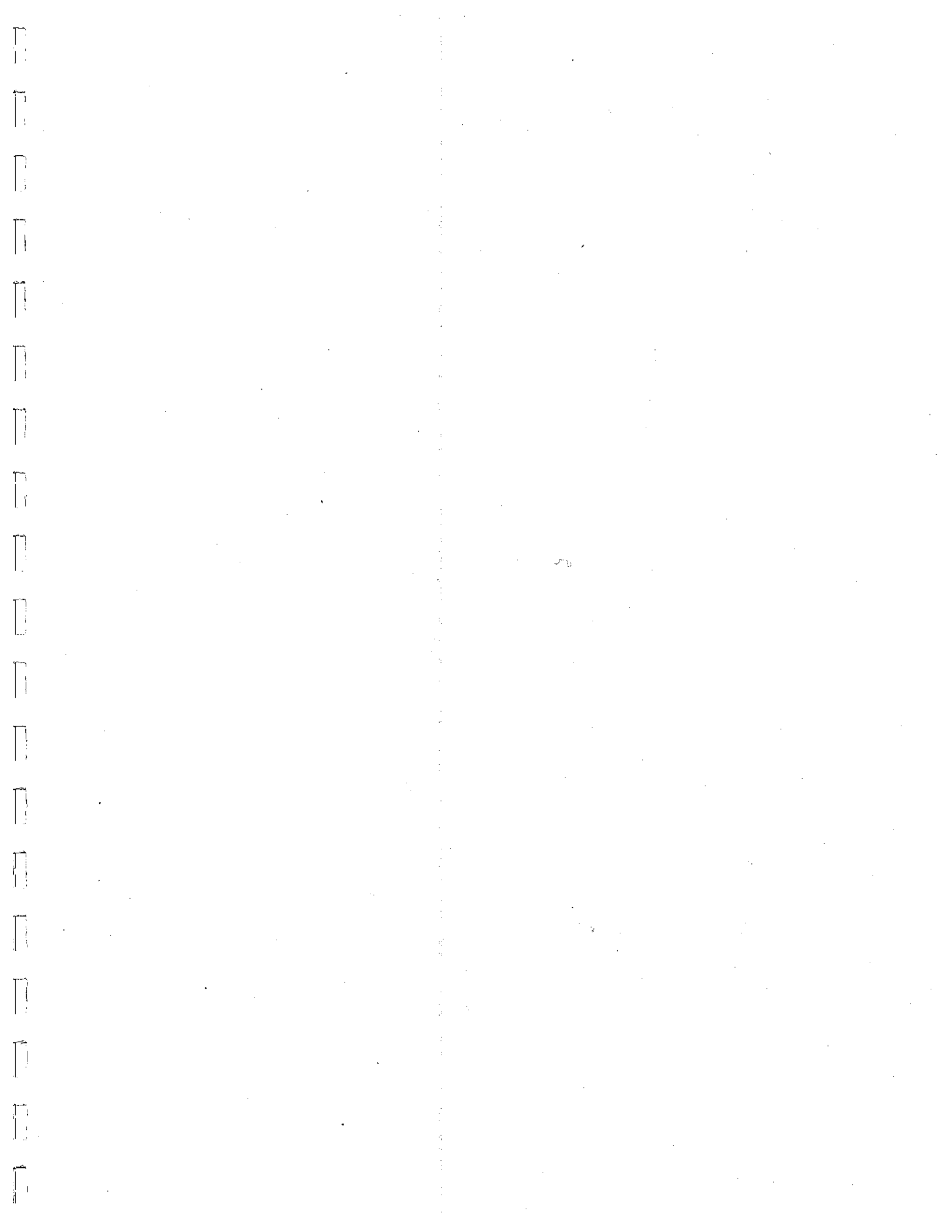
Monthly Service Charge	(per connection)	\$0.03
Distribution Volumetric Rate	(per kW)	\$0.14

**UNMETERED SCATTERED LOADS**

Un-metered scattered loads will be billed as General Service < 50 kW

Monthly Service Charge	(per month)	\$0.44
Distribution Volumetric Rate	(per kWh)	\$0.0008





1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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BY PRIORITY POST

February 26, 2002

Mr. Richard Zebrowski  
Vice President  
Toronto Hydro-Electric System Limited  
14 Carlton Street  
Toronto, ON  
M5B 1K5

FEB 28 2002

Dear Mr. Zebrowski:

**Re: Toronto Hydro-Electric System Limited  
March 2002 LDC Rate Adjustments  
Board File No. RP-2002-0002/EB-2002-0011**

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

Peter H. O'Dell  
Assistant Board Secretary

Encl.

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0002  
EB-2002-0011

**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 Toronto  
Hydro-Electric System 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.

Toronto Hydro-Electric System 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 filed a revised application on January 29, 2002, amending its Payments in Lieu of Taxes ("PILs") calculations; a second revision on February 7, 2002, amending the calculation some of its proposed rates; and a third revision on February 22, 2002 in regards of PILs calculations (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. In total, 33 submissions named the Applicant.

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), \$39,765,559.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$5,000,000.
- the 2002 Payments in Lieu of Taxes (PILs), \$55,000,000.
- a change in the Applicant's late payment penalty and a provision to account for the revenue losses incurred by this change, \$6,555,000.

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. One of the submissions received by the Applicant made references to the Applicant's June, 2000 rate increase proposal and to decisions regarding a proposed sale, without mentioning the name of the utility's name. 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 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.



-6 -

- 2) The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

DATED at Toronto, February 26, 2002.

ONTARIO ENERGY BOARD

  
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Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0002  
EB-2002-0011

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February 26, 2002

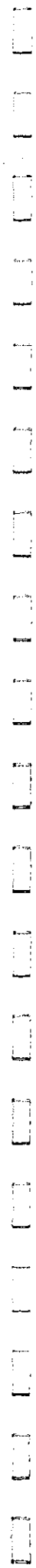
ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary





Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0061  
EB-2002-0070

**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 Aurora  
Hydro Connections 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.

Aurora Hydro Connections 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 filed a revised application ("the Revised Application") dated February 26, 2002 providing a corrected capital cost allowance calculation.

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 not named in any 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), \$822,377.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$241,372.
- the 2002 Payments in Lieu of Taxes (PILs), \$1,200,944.
- a change in the Applicant's late payment penalty and a provision for the second installment of the revenue losses incurred by this change, \$56,547.

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. The Applicant did not prorate the large corporation tax (LCT) by one-quarter for the 2001 PILs calculation. For both 2001 and 2002, the Applicant did not adjust the income tax gross-up formula correctly for the 1.12% surtax rate. Additionally, for 2002 the Applicant did not deduct the deemed interest expense and for both 2001 and 2002 PILs were recalculated to take into account the revised application. As a result.

- the 2001 deferred Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an understatement of \$6,627.
- the 2002 Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of \$354,157.

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.

-6 -

- 2) The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

DATED at Toronto, February 28, 2002.

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary

## Appendix "A"

RP-2002-0061  
EB-2002-0070

February 28, 2002

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary

**Aurora Hydro Connections Ltd.**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0061  
 EB-2002-0070

**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)	\$13.25
Distribution Volumetric Rate	(per kWh)	\$0.0122
Cost of Power Rate	(per kWh)	\$0.0748

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$32.21
Distribution Volumetric Rate	(per kWh)	\$0.0091
Cost of Power Rate	(per kWh)	\$0.0737

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$204.28
Distribution Volumetric Rate	(per kW)	\$1.6919
Cost of Power Demand Rate	(per kW)	\$4.4684
Cost of Power Energy Rate	(per kWh)	\$0.0605

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$2.96
Distribution Volumetric Rate	(per kW)	\$5.2694
Cost of Power Demand Rate	(per kW)	\$23.1064

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.59
Distribution Volumetric Rate	(per kW)	\$3.5359
Cost of Power Demand Rate	(per kW)	\$23.2511

Change of Occupancy	\$	8.00
Account History		
Administration Fee	\$	50.00
Current Year Data	\$	25.00
Each Additional Year Data	\$	50.00
Arrear's Certificate	\$	10.50
Late Payment (per month)		1.50%
(per annum)		19.56%
Returned Cheque	\$	8.00
Collection of Account Charge	\$	8.65
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours	\$	17.30
At Meter - After Hours	\$	250.00
Temporary Pole Service	\$	300.00
After Hours High Voltage Station Outage	\$	950.00
Residential Service 2nd Visit to Connect New Service	\$	150.00
Residential Service After Hours Visit to Connect New Service	\$	450.00
Transformer ownership allowance (per kW of demand, below 115kV)	\$	0.60









Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0079  
EB-2002-0088

**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  
Markham Hydro Distribution Inc. 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.

Markham Hydro Distribution Inc. ("the Applicant") filed an Application ("the Application"), dated January 15, 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 filed two revisions, one dated February 13, 2002 and the other dated February 22, 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 one of the template 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), \$2,760,228.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$1,531,971.
- the 2002 Payments in Lieu of Taxes (PILs), \$5,193,976.
- recovery of lost interest income of \$836,400.

The Applicant also applied for a new Specific Service Charge of \$15.00 per request in processing Reference Letters for customers.

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:

- The Applicant included 2000 Employee Benefit Plan Accrual of \$148,000 and a Paid amount of \$6,000 in the calculation of 2002 PILs. This is not allowed under the PILs provision.
- The Applicant requested recovery of lost interest income of \$836,400 not accounted for in the rates set by the Board in 2001. The Applicant claimed that the Town of Markham, through transfer by-law #272-1999, retained \$17,000,000 in surplus cash thereby significantly diminishing the future investment earnings potential of Markham Hydro. The Board finds that the \$836,400 claimed is out of period and is therefore denied.

The Board recognizes that cost related charges are an important regulatory principle and there should not be undue subsidization for specific services offered by the Applicant. The Board has not had an opportunity to deal with this issue and other issues related to the specific services offered and fees charged by Ontario's electricity distributors. The Board intends to initiate a comprehensive review of these issues at the earliest opportunity. In the meantime the Board is reluctant to deal with changes to the existing services and charges on a utility-specific and/or piecemeal basis. The Board therefore does not approve the Applicant's proposal to introduce a new service charge at this time. In making this finding, the Board considered that the cost and revenue consequences for the Applicant appear to be minor.

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, February 28, 2002.

ONTARIO ENERGY BOARD


  
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Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0079  
EB-2002-0088

February 28, 2002

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary

**Markham Hydro Distribution Inc.**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0079  
 EB-2002-0088

**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)	\$13.89
Distribution Volumetric Rate	(per kWh)	\$0.0110
Cost of Power Rate	(per kWh)	\$0.0727

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$35.75
Distribution Volumetric Rate	(per kWh)	\$0.0081
Cost of Power Rate	(per kWh)	\$0.0719

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$399.90
Distribution Volumetric Rate	(per kW)	\$1.1839
Cost of Power Demand Rate	(per kW)	\$6.9822
Cost of Power Energy Rate	(per kWh)	\$0.0521

**GENERAL SERVICE > 50 KW (Time of Use)**

Monthly Service Charge	(per month)	\$3,410.25
Distribution Volumetric Rate	(per kW)	\$1.1572
Cost of Power - Winter Peak	(per kW)	\$9.4967
Cost of Power - Summer Peak	(per kW)	\$6.9332
Cost of Power - Winter Peak	(per kWh)	\$0.0699
Cost of Power - Winter Off Peak	(per kWh)	\$0.0418
Cost of Power - Summer Peak	(per kWh)	\$0.0590
Cost of Power - Summer Off Peak	(per kWh)	\$0.0310



**Markham Hydro Distribution Inc.**  
**Schedule of Rates and Charges -- Page 2**  
 Effective March 1, 2002

RP-2002-0079  
 EB-2002-0088

**LARGE USE**

Monthly Service Charge	(per month)	\$3,514.35
Distribution Volumetric Rate	(per kW)	\$1.9582
Cost of Power - Winter Peak	(per kW)	\$10.5390
Cost of Power - Summer Peak	(per kW)	\$7.5154
Cost of Power - Winter Peak	(per kWh)	\$0.0683
Cost of Power - Winter Off Peak	(per kWh)	\$0.0409
Cost of Power - Summer Peak	(per kWh)	\$0.0577
Cost of Power - Summer Off Peak	(per kWh)	\$0.0304

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.77
Distribution Volumetric Rate	(per kW)	\$1.2824
Cost of Power Demand Rate	(per kW)	\$22.3904

**STREET LIGHTING (Time of Use)**

Monthly Service Charge	(per connection)	\$0.28
Distribution Volumetric Rate	(per kW)	\$1.1961
Cost of Power Demand Rate - Winter	(per kW)	\$32.3991
Cost of Power Demand Rate - Summer	(per kW)	\$12.3547

**SPECIFIC SERVICE CHARGES**

Customer Administration:		
Account Setup Charge		\$42.00
Dispute Involvement Charge		\$100.00
Disconnect and Reconnect Service:		
For reasons other than safety		\$27.00
Non-Payment of Account:		
Late Payment	(per month)	1.50%
	(per annum)	19.56%
Returned Cheque Charge-Actual Bank charges plus		\$25.00
Collection of Account Charge		\$25.00
Arrears Certificate		\$10.00
Disconnection-during regular working hours		\$29.00
Reconnection-during regular working hours		\$29.00
Disconnection-after regular working hours		\$59.00
Reconnection-after regular working hours		\$59.00

**Markham Hydro Distribution Inc.**  
**Schedule of Rates and Charges -- Page 3**  
 Effective March 1, 2002

RP-2002-0079  
 EB-2002-0088

**Account History Data:**

Administration charge for billing consumption data - <i>per account charge</i>	\$50.00
Current Year billing consumption data	No charge
Previous Year billing consumption data - On line - <i>per year charge</i>	\$25.00
Previous Year billing consumption data - Off line - <i>per year charge</i>	\$50.00
(These account history charges apply on the third and subsequent request if not delivered electronically through the Electronic Business Transaction System, as per the Retail Settlement Code.)	
Unscheduled Meter Read (formally called "Repeat Appointment to Read Meter")	\$15.00

**Diversity Adjustment (only until Market Opens) - Large User only**

Winter \$/KW	\$2.30
Summer \$/KW	\$1.93

**Interval Meter Installation Request by Customer <1MW:**

Shared Telephone Line	\$1,780.00
Dedicated Telephone Line	\$1,445.00



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Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0083  
EB-2002-0092

**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  
Richmond Hill Hydro Inc. 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.

Richmond Hill Hydro Inc. ("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 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 not named in any 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), \$2,042,310.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$1,114,129.
- the 2002 Payments in Lieu of Taxes (PILs), \$3,523,792.

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 issues 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. For both 2001 and 2002, the Applicant did not adjust the income tax gross-up for the 1.12% LCT tax rate. As a result,

- the 2001 deferred Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of \$18,464.
- the 2002 Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of \$54,234.


Subject to the these adjustments, the Board finds that the Applicant's proposals conform with the Board's earlier decisions, directives and guidelines and that 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 bills reflecting the new rates.

DATED at Toronto, February 22, 2002.

ONTARIO ENERGY BOARD

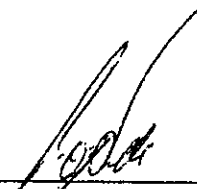
  
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Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0083  
EB-2002-0092

February 22, 2002]

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read "P. O'Dell", is written over a horizontal line.

Peter H. O'Dell  
Assistant Board Secretary

**Richmond Hill Hydro Inc.**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0083

EB-2002-0092

**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)	\$16.06
Distribution Volumetric Rate	(per kWh)	\$0.0124
Cost of Power Rate	(per kWh)	\$0.0736

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$40.60
Distribution Volumetric Rate	(per kWh)	\$0.0105
Cost of Power Rate	(per kWh)	\$0.0727

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$391.75
Distribution Volumetric Rate	(per kW)	\$3.0889
Cost of Power Demand Rate	(per kW)	\$6.3147
Cost of Power Energy Rate	(per kWh)	\$0.0527

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.95
Distribution Volumetric Rate	(per kW)	\$3.7774
Cost of Power Demand Rate	(per kW)	\$22.6232

**UN-METERED SCATTERED LOADS**

Monthly Service Charge	(per connection)	\$40.60
Distribution Volumetric Rate	(per kWh)	\$0.0105
Cost of Power Rate	(per kWh)	\$0.0727

**Richmond Hill Hydro Inc.**  
**Schedule of Rates and Charges - Page 2**  
 Effective March 1, 2002

RP-2002-0083

EB-2002-0092

**SPECIFIC SERVICE CHARGES**

New Account Setup	\$	42.00
Change of Occupancy	\$	10.00
Arrear's Certificate	\$	15.00
Late Payment		per month 1.5%
		per annum 19.56%
Returned Cheque	\$	25.00
Collection of Account Charge	\$	25.00
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours	\$	29.00
At Meter - After Hours	\$	59.00
Repeat final bill fee	\$	20.00
Income tax letter	\$	15.00
Temporary service disconnection	\$	50.00
Reference letter	\$	15.00
Compliance letter for easements & other legal inquiries	\$	50.00
Repeat field locates	\$	100.00
Application for pole attachment	\$	300.00
Markup drawing for plant location	\$	100.00
Trouble call due to customers internal problem: reg. hours	\$	150.00
Trouble call due to customers internal problem: after hours	\$	300.00
Reconnect/disconnect at customers request	\$	15.00
Dispute meter	\$	100.00
Theft of power investigation fee	\$	120.00





Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0056

EB-2002-0065

**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 Hydro  
Vaughan Distribution Inc. 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.

Hydro Vaughan Distribution Inc. ("the Applicant") filed an Application ("the Application"), dated January 25, 2002, for an order or orders under section 73 of the *Ontario Energy Board Act*, 1998 approving or fixing just and reasonable rates for the distribution of electricity, effective March 1, 2002.

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 one of the template 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 instalments of the utility's incremental Market Adjusted Revenue Requirement (MARR). \$1,654,859.
- the 2001 deferred Payments in Lieu of Taxes (PILs). \$2,047,030.
- the 2002 Payments in Lieu of Taxes (PILs). \$5,948,326.
- a change in the utility's investment revenue and a provision to account for revenue losses incurred by this change, \$827,713.

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. Hydro Vaughan did not adjust the income tax gross-up formula for the 1.12% surtax rate. Additionally, the Board recalculated the 2002 capital cost allowance using a declining balance. As a result,

- the 2001 deferred Payments in Lieu of Taxes (PILs) was corrected for an overstatement of \$32,735.
- the 2002 Payments in Lieu of Taxes (PILs) was corrected for an overstatement of \$218,246.

The Applicant requested recovery of lost interest income of \$827,713 not accounted for in the rates set by the Board in 2001. In the Board's view, the request is for the Board to vary its previous decision and approve a retroactive rate adjustment. The Applicant had not applied for such revenue adjustment in its initial filing for unbundled rates for which it has received a Board Decision. The Board relies on the applicants to bring their best case forward for prospective rate adjustments, not on a piecemeal and selective basis. The Board cannot be expected to vary its previous decisions because an applicant might have thought that, after the fact, it could have included in its application certain other matters. Fairness and regulatory efficiency require that there be finality to the rate setting process. The Board finds that the amount claimed is out of period and therefore denies the Applicant's request.

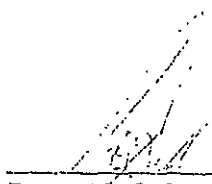
Subject to these adjustments, the Board finds that the Applicant's proposals conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

## 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, February 28, 2002.

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary

## Appendix "A"

RP-2002-0056  
EB-2002-0065

February 28, 2002

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary

Hydro Vaughan Distribution Inc.  
Schedule of Rates and Charges  
Effective March 1, 2002

RP-2002-0056  
EB-2002-0055

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)	\$13.95
Distribution Volumetric Rate	(per kWh)	\$0.0090
Cost of Power Rate	(per kWh)	\$0.0727

GENERAL SERVICE < 5 KW

Monthly Service Charge	(per month)	\$34.04
Distribution Volumetric Rate	(per kWh)	\$0.0131
Cost of Power Rate	(per kWh)	\$0.0719

GENERAL SERVICE > 10 KW (Non Time of Use)

Monthly Service Charge	(per month)	\$358.17
Distribution Volumetric Rate	(per kWh)	\$2.6062
Cost of Power Demand Rate	(per kW)	\$6.1104
Cost of Power Energy Rate	(per kWh)	\$0.0526

Hydro Vaughan Distribution Inc.  
 Schedule of Rates and Charges -- Page 2  
 Effective March 1, 2002

RP-2002-0056  
 EB-2002-0065

LARGE USE

Monthly Service Charge	(per month)	\$10,246.18
Distribution Volumetric Rate	(per kW)	\$0.9705
Cost of Power - Winter Peak	(per kW)	\$10.3094
Cost of Power - Summer Peak	(per kW)	\$7.4156
Cost of Power - Winter Peak	(per kWh)	\$0.0689
Cost of Power - Winter Off Peak	(per kWh)	\$0.0412
Cost of Power - Summer Peak	(per kWh)	\$0.0582
Cost of Power - Summer Off Peak	(per kWh)	\$0.0306

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	\$0.65
Distribution Volumetric Rate	(per kW)	\$2.2084
Cost of Power Demand Rate	(per kW)	\$30.7395

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	\$1.14
Distribution Volumetric Rate	(per kW)	\$3.1923
Cost of Power Demand Rate	(per kW)	\$22.4474

UNMETERED SCATTERED LOAD

Monthly Service Charge	(per connection)	\$34.04
Distribution Volumetric Rate	(per kW)	\$0.0131
Cost of Power Demand Rate	(per kW)	\$0.0719

Hydro Vaughan Distribution Inc.  
Schedule of Rates and Charges -- Page 3  
Effective March 1, 2002

RP-2002-0056  
EB-2002-0065

SPECIFIC SERVICE CHARGES

New Account Setup	\$	10.00
Current Year Data	\$	30.00
Previous Year Billing Consumption Data		
On Line - per year charge	\$	30.00
Off Line - per year charge	\$	50.00
Easement Letter	\$	20.00
Arrear's Certificate	\$	15.00
Late Payment	(per month)	1.50%
	(per annum)	19.56%
Returned Cheque	\$	20.00
Collection of Account Charge	\$	10.00
Final Bill Fee	\$	10.00
Special Reading Charge Fee (Repeat F/B Fee)	\$	20.00
Income Tax Letter	\$	15.00
Bill Copy	\$	2.00
Reference Letter	\$	15.00
Temporary Service Disconnection	\$	50.00
Disconnect at Customer's Request	\$	50.00
Meter Test - Customer Request	\$	50.00
Temporary Pole Service	\$	400.00
Reconnect Charges (at meter) - during regular working hours	\$	20.00
Reconnect Charges (at meter) - after regular working hours	\$	50.00
Diversity Adjustment Credit (per KW) Winter	\$	0.93
(discontinued at Market Opening) Summer	\$	1.04
Transformer Ownership Credit (per kw)	\$	0.60
Primary Metering Allowance		1% of kw and kwh billed



Ontario Energy  
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Toronto ON M4P 1E4  
Telephone: 416-481-1967  
Facsimile: 416-440-7656  
Toll free: 1-866-332-6273

Commission de l'Énergie  
de l'Ontario  
C.P. 2319  
25e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Telephone: 416-481-1967  
Téléphone: 416-440-7656  
Numéro sans frais: 1-866-332-6273



BY PRIORITY POST

February 7, 2002

Scott Somerville  
General Manager  
Hydro Vaughan Distribution Inc.  
2141 Major Mackenzie Drive  
Suite 100  
Vaughan, ON  
L6A 1W8

Dear Mr. Somerville:

Re: Hydro Vaughan Distribution Inc.  
Market Adjusted Rate of Return (MARR) Application  
Board File No. RP-2002-0056/EB-2002-0065

This will acknowledge receipt on January 28, 2002 of Hydro Vaughan Distribution Inc.'s Market Adjusted Rate of Return (MARR) Application. The Board has assigned File Number RP-2002-0056(EB-2002-0065) to this matter. Please refer to this number in all future correspondence to the Board regarding this matter.

Yours truly,

Peter H. O'Dell  
Assistant Board Secretary

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[illegible]



SECRET

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0011  
EB-2002-0020

**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 Barrie  
Hydro Distribution Inc. 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.

Barrie Hydro Distribution Inc. ("the Applicant") filed an Application ("the Application"), dated January 24, 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.

On February 18, 2002, the Applicant filed a revised Application ("the Revised Application") making corrections to Payments in Lieu of Taxes (PILs) calculations.

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 not named in any 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), \$1,907,855.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$1,129,825.
- the 2002 Payments in Lieu of Taxes (PILs), \$3,666,285.
- an interim transition cost recovery, \$84,299.
- a change in the utility's late payment penalty and a provision to account for revenue losses incurred by this change, \$304,913.
- a Z-factor to reflect the lost revenue due to change in late payment charge from 5% to 1.5% for the period of May 1, 2001 to February 28, 2002 which was not claimed as a first year rate adjustment, \$254,094.

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.

While the Board accepts the recovery of \$304,913 in rates on a prospective basis related to the Applicant's late payment policy change, the Board does not approve the claimed Z factor amount of \$254,094 related to the period May 1, 2001 to February 28, 2002. In the Board's view, the requested amount is not a Z factor; rather it is a request for the Board to vary its previous decision and approve a retroactive rate adjustment. The Board will address this issue in this light.

The Applicant had not applied for such revenue adjustment in its initial filing for unbundled rates, which became effective May 1, 2001. The Board relies on the applicants to bring their best case forward for prospective rate adjustments, not on a piecemeal and selective basis. The Board cannot be expected to vary its previous decisions because an applicant might have thought that, after the fact (in this case, a long time after the fact), it could have included in its application certain other matters. Fairness and regulatory efficiency require that there be finality to the rate setting process. The Board therefore denies the Applicant's request for a Z factor treatment of the \$254,094 amount as out of period. The Board has adjusted the PILs calculation and RA model to reflect this decision.

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, February 26, 2002.

ONTARIO ENERGY BOARD


  
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Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0011  
EB-2002-0020

February 26, 2002

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary

**Barrie Hydro Distribution Inc.**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0011  
 EB-2002-0020

**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)	\$17.03
Distribution Volumetric Rate	(per kWh)	\$0.0098
Cost of Power Rate	(per kWh)	\$0.07494

**RESIDENTIAL (Time of Use)**

Monthly Service Charge	(per month)	\$17.03
Distribution Volumetric Rate	(per kWh)	\$0.0098
Cost of Power - Winter Peak	(per kWh)	\$0.12331
Cost of Power - Winter Off Peak	(per kWh)	\$0.04211
Cost of Power - Summer Peak	(per kWh)	\$0.09709
Cost of Power - Summer Off Peak	(per kWh)	\$0.03122

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$17.03
Distribution Volumetric Rate	(per kWh)	\$0.0142
Cost of Power Rate	(per kWh)	\$0.07376

**GENERAL SERVICE < 50 KW (Time of Use)**

Monthly Service Charge	(per month)	\$17.03
Distribution Volumetric Rate	(per kWh)	\$0.0142
Cost of Power - Winter Peak	(per kWh)	\$0.11298
Cost of Power - Winter Off Peak	(per kWh)	\$0.04207
Cost of Power - Summer Peak	(per kWh)	\$0.09445
Cost of Power - Summer Off Peak	(per kWh)	\$0.03119

**Barrie Hydro Distribution Inc.**  
**Schedule of Rates and Charges - Page 2**  
 Effective March 1, 2002

RP-2002-0011  
 EB-2002-0020

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$434.08
Distribution Volumetric Rate	(per kW)	\$1.1240
Cost of Power Demand Rate	(per kW)	\$7.2591
Cost of Power Energy Rate	(per kWh)	\$0.05199

**GENERAL SERVICE > 50 KW (Time of Use)**

Monthly Service Charge	(per month)	\$434.08
Distribution Volumetric Rate	(per kW)	\$1.1240
Cost of Power - Winter Peak	(per kW)	\$11.8211
Cost of Power - Summer Peak	(per kW)	\$8.9388
Cost of Power - Winter Peak	(per kWh)	\$0.07024
Cost of Power - Winter Off Peak	(per kWh)	\$0.04195
Cost of Power - Summer Peak	(per kWh)	\$0.05929
Cost of Power - Summer Off Peak	(per kWh)	\$0.03110

**LARGE USE**

Monthly Service Charge	(per month)	\$7,964.49
Distribution Volumetric Rate	(per kW)	\$0.6683
Cost of Power - Winter Peak	(per kW)	\$11.9295
Cost of Power - Summer Peak	(per kW)	\$8.9298
Cost of Power - Winter Peak	(per kWh)	\$0.06886
Cost of Power - Winter Off Peak	(per kWh)	\$0.04119
Cost of Power - Summer Peak	(per kWh)	\$0.05815
Cost of Power - Summer Off Peak	(per kWh)	\$0.03058

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$3.15
Distribution Volumetric Rate	(per kW)	\$2.5327
Cost of Power Demand Rate	(per kW)	\$21.2555

**Barrie Hydro Distribution Inc.**  
**Schedule of Rates and Charges - Page 3**  
 Effective March 1, 2002

RP-2002-0011  
 EB-2002-0020

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.38
Distribution Volumetric Rate	(per kW)	\$0.9155
Cost of Power Demand Rate	(per kW)	\$22.1587

**STREET LIGHTING (Time of Use)**

Monthly Service Charge	(per connection)	\$0.38
Distribution Volumetric Rate	(per kW)	\$0.9155
Cost of Power - Winter	(per kW)	\$33.3303
Cost of Power - Summer	(per kW)	\$12.3314

**UN-METERED SCATTERED LOADS**

Un-metered scattered loads will be billed as General Service < 50 kW

Monthly Service Charge	(per connection)	\$17.03
Distribution Volumetric Rate	(per kWh)	\$0.0142
Cost of Power Rate	(per kWh)	\$0.07376

**SPECIFIC SERVICE CHARGES**

Customer Administration:

New Account Setup	\$	8.80
Arrear's Certificate	\$	9.30
Account History	\$	5.00
Dispute Involvement Charge	\$	5.00

Non-Payment of Account:

Late Penalty (Overdue Account	(per month)	1.50%
Account Interest Charge) on	(per annum)	19.56%
unpaid balance		

Returned Cheque - Actual Bank Charges plus	\$	12.00
Collection of Account Charge	\$	8.65

Disconnect/Reconnect Charges (non payment of account)

During Regular Hours	\$	17.60
After Hours	\$	27.80

Temporary Service:

Single Phase	\$	300.00
Single Phase with secondary voltage	\$	130.00
Overhead	\$	210.00
Underground	\$	120.00



Barrie Hydro Distribution Inc.  
Schedule of Rates and Charges - Page 4  
Effective March 1, 2002

RP-2002-0011  
EB-2002-0020

**SPECIFIC SERVICE CHARGES (continued from previous page)**

Special Billing Service:			
Meter Translation	(per month)	\$	40.00
Transformation Ownership Allowance	(per kW)	\$	0.60
Standby Facility Charge	(per kW)	\$	2.60

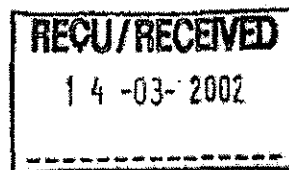
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Ontario Energy  
Board  
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Toronto ON M4P 1E4  
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Commission de l'Énergie  
de l'Ontario  
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2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416-481-1967  
Télécopieur: 416-440-7856  
Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

2002 March 13

Marjorie Richards  
Manager  
Hamilton Hydro Inc.  
P.O. Box 2249  
Station LCD 1  
55 John Street N.  
Hamilton, ON  
L8N 3E4

Dear Ms. Richards:

Re: **Hamilton Hydro Inc.**  
**Market Adjusted Rate of Return (MARR) Application**  
**Board File No. RP-2002-0014/EB-2002-0023**

The Board has today issued its Decision and Order in the above noted matter and an executed copy is enclosed herewith. A copy is also being sent to the parties who made written submissions in this case.

Yours truly,

Peter H. O'Dell  
Assistant Board Secretary

encl.

c: all parties

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0014  
EB-2002-0023

**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  
Hamilton Hydro Inc. 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.

Hamilton Hydro Inc. ("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 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 one of the template 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), \$5,247,005.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$2,337,300.
- the 2002 Payments in Lieu of Taxes (PILs), \$8,751,841.
- an interim transition cost recovery of \$1,499,563.
- certain proposals that would allow the utility to recover PILs related to Other Post Employment Benefits (OPEBs) through rates in the same period that the utility incurs the OPEBs tax liability. These proposals were not reflected in the Applicant's filing.

The Applicant's filing reflected its request of an earlier application not yet dealt with by the Board. In that application, the Applicant sought to increase the number of significant decimals in the cost of power per kWh rate from 5 to 6, and to reduce the number of significant decimals in the cost of power demand per kW rate for general service non-time of use customers with demands greater than 50 kW from 4 to 2. The latter request was made to accommodate certain restrictions in the Applicant's billing system. The Applicant also sought to change the loss adjustment factor relating to the June 1, 2001 cost of power increase from 5 per cent for all customers to 1 per cent for large use customers and 5 per cent for all other customers.

Copies of both applications 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.

With respect to the Applicant's request to vary the number of significant decimals in certain rates, the Board is attempting to standardize the format for rates for all electricity distributors. The Board has opted for four decimal places for the per unit rates. The Board does not therefore accept the Applicant's proposal for six decimal places for certain rates. However, given the current constraints in the Applicant's billing system to accommodate a per kW rate of four decimal places, the Board accepts the Applicant's request for two decimal places in that charge. Also, the Board approves the Applicant's request to change the loss adjustment factor for large customers relating to the June 1, 2001 cost of power increase.

With respect to the main application, the Board adjusts the Applicant's proposals for the following reasons.

With respect to transition costs, the Board notes that a significant portion of the reported transition costs do not appear, *prima facie*, to be legitimate transition costs in accordance with the Board's guidelines in this matter. The Board approves at this time one-half of the interim amount requested. The Applicant will have an opportunity to make its case for the transition costs claimed at a later time. In making the necessary adjustments to reflect this finding, the Board made certain adjustments to the provision of PILs for both 2001 and 2002, based on the evidence submitted.

For both 2001 and 2002, the Applicant did not adjust the income tax gross-up formula for the 1.12% surtax rate.

As a result of the above findings and the Board's acceptance of the Applicant's non-incorporated proposals regarding OPEBs, PILS are adjusted as follows:

- the 2001 deferred Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an understatement of \$133,370.
- the 2002 Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an understatement of \$22,538.

Subject to these adjustments, the Board finds that the Applicant's proposals 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 13, 2002.

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0014  
EB-2002-0023

March 13, 2002

ONTARIO ENERGY BOARD

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Peter H. O'Dell  
Assistant Board Secretary

**Hamilton Hydro Inc.**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0014  
 EB-2002-0023

**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)	\$15.73
Distribution Volumetric Rate	(per kWh)	\$0.0098
Cost of Power Rate	(per kWh)	\$0.07395

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$31.05
Distribution Volumetric Rate	(per kWh)	\$0.0041
Cost of Power Rate	(per kWh)	\$0.07285

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$297.76
Distribution Volumetric Rate	(per kW)	\$1.0604
Cost of Power Demand Rate	(per kW)	\$2.51
Cost of Power Energy Rate	(per kWh)	\$0.06415

**GENERAL SERVICE > 50 KW (Time of Use)**

Monthly Service Charge	(per month)	\$330.09
Distribution Volumetric Rate	(per kW)	\$0.8646
Cost of Power - Winter Peak	(per kW)	\$10.99
Cost of Power - Summer Peak	(per kW)	\$8.23
Cost of Power - Winter Peak	(per kWh)	\$0.07055
Cost of Power - Winter Off Peak	(per kWh)	\$0.04205
Cost of Power - Summer Peak	(per kWh)	\$0.05955
Cost of Power - Summer Off Peak	(per kWh)	\$0.03125

**Hamilton Hydro Inc.**  
**Schedule of Rates and Charges - Page 2**  
 Effective March 1, 2002

RP-2002-0014  
 EB-2002-0023

**LARGE USE**

Monthly Service Charge	(per month)	\$11,973.33
Distribution Volumetric Rate	(per kW)	\$0.60
Cost of Power - Winter Peak	(per kW)	\$10.05
Cost of Power - Summer Peak	(per kW)	\$7.60
Cost of Power - Winter Peak	(per kWh)	\$0.06837
Cost of Power - Winter Off Peak	(per kWh)	\$0.04077
Cost of Power - Summer Peak	(per kWh)	\$0.05767
Cost of Power - Summer Off Peak	(per kWh)	\$0.03027

**SENTINEL LIGHTS**

Monthly Service Charge	(per connection)	\$0.37
Distribution Volumetric Rate	(per kW)	\$1.0175
Cost of Power - Winter	(per kW)	\$32.99
Cost of Power - Summer	(per kW)	\$19.04

**STREET LIGHTING**

Monthly Service Charge	(per connection)	\$0.28
Distribution Volumetric Rate	(per kW)	\$0.6428
Cost of Power - Winter	(per kW)	\$32.99
Cost of Power - Summer	(per kW)	\$19.04

**UNMETERED & SCATTERED LOAD**

Monthly Service Charge	(per connection)	\$0.76
Distribution Volumetric Rate	(per kWh)	\$0.0005
Cost of Power Demand Rate	(per kWh)	\$0.07285

Hamilton Hydro Inc.  
Schedule of Rates and Charges - Page 3  
Effective March 1, 2002

RP-2002-0014  
EB-2002-0023

**SPECIFIC SERVICE CHARGES**

New Account Setup		\$	9.00
Account History			
Administration Fee		\$	10.00
Arrear's Certificate		\$	10.00
Late Payment Charge	(per month)		1.50%
	(per annum)		19.56%
Returned Cheque		\$	8.50
Collection of Account Charge		\$	8.00
Disconnect/Reconnect Charges (non payment of account)			
At Meter - During Regular Hours		\$	18.00
At Meter - After Hours		\$	45.00
Temporary Pole Service		\$	250.00
Diversity Adj. Credit (per KW)	Winter	\$	0.87
(discontinued at Market Opening)	Summer	\$	0.78
Credit Reference		\$	15.00
Dispute Involvement Charge		\$	10.00
Direct Connect Administrative Charge		\$	150.00
(discontinued at Market Opening)			
Special Billing Service			
Exp. Surplus Power Rate - 1% of surplus power quantities for line losses			
RTP - 1% of RTP II power quantities above baseline for line losses			
Special Billing Service for customers on Exp. Surplus Power rate		\$	2,000.00
Special Billing Service for customers on RTP II Rate		\$	2,000.00
Surplus Power Excess Demand Charge - Percent of firm demand price at which customer will be billed for excess demand when the customer's maximum demand for the month exceeds contract demand for all			125.00%
Transformer Ownership			
Credit - for transformation			
Service at less than 115 kV (per kW of billing demand)		\$	0.60



Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0045  
EB-2002-0054

**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 St.  
Catharines Hydro Utility Services Inc. 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 (Athe 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.

St. Catharines Hydro Utility Services Inc. (Athe Applicant@) filed an Application (Athe 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 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 not named in any 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), \$1,830,853.

- \$ the 2001 deferred Payments in Lieu of Taxes (PILs), \$541,318.
- \$ the 2002 Payments in Lieu of Taxes (PILs), \$3,874,933.
- \$ an interim transition cost recovery of \$160,359.
- \$ a Z-Factor recovery of \$1,686,842 related to unrecovered local generation commodity costs for the period August 1, 2000 to May 31, 2001.
- \$ a change in the Applicant=s late payment penalty and a provision for the revenue losses incurred by this change, \$215,405, and a Z-Factor recovery of \$157,723 related to a retroactive adjustment associated with this change.

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 notes that the Applicant has raised several issues related to the adequacy of working capital allowances to meet prudential requirements and cost of power related costs. At this time, no specific rate adjustments related to these items have been requested or identified. Should rate adjustments for these items be necessary, the Board intends to initiate a generic process for adjusting rates.

While the Board accepts the recovery of \$215,405 in rates on a prospective basis related to the Applicant=s late payment policy change, the Board does not approve the claimed Z-factor of \$157,723. In the Board=s view, the requested amount is not a Z-factor; rather it is a request for the Board to vary its previous decision and approve a retroactive rate adjustment. The Applicant had not applied for such revenue adjustment in its initial filing for unbundled rates, which became effective June 1, 2001. The Board relies on the applicants to bring their best case forward for prospective rate adjustments, not on a piecemeal and selective basis. The Board cannot be expected to vary its previous decisions because an applicant might have thought that, after the fact, it could have included in its application certain other matters. Regulatory efficiency requires that there be finality to the rate setting process. The Board therefore denies the Applicant=s request.

With respect to the \$1,686,842 Z-factor claim, the Board notes that these costs were incurred in the period August 1, 2000 to May 31, 2001, which is prior to the

Board approving or fixing the Applicant=s rates for the first time (June 1, 2001).

The Board denies recovery of these costs as they are out of period.

The Board also notes that the Applicant has applied to recover transition costs related to Ontario Energy Board licence fees and assessment costs. The Board denies recovery of these costs as, *prima facie*, they are not eligible for transition cost recovery.

The Board also adjusts the Applicant=s proposals for the following reasons. The Applicant calculated the capital cost allowance incorrectly and did not adjust the income tax gross-up formula for the 1.12% surtax rate. The Applicant also used an incorrect tax rate in the 2001 deferred PILs calculation.

As a result,

- \$ Z-factor claims of \$1,686,842 and \$157,723 were removed from rate determination.
- \$ the transition cost recovery claim was reduced by \$17,099 to remove the amount pertaining to licence fees and assessment costs.
- \$ the 2001 deferred Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an understatement of \$94,826.
- \$ the 2002 Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of \$1,519,113.

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

-7 -

## THE BOARD ORDERS THAT:

The rates set out in Appendix AA@ of this Order are approved effective March 1, 2002.

The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

DATED at Toronto, March 11, 2002.

ONTARIO ENERGY BOARD

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Peter H. O'Dell  
Assistant Board Secretary

Appendix AA@

RP-2002-0045  
EB-2002-0054

March 11, 2002

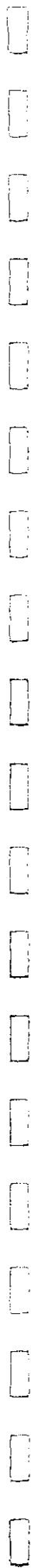
ONTARIO ENERGY BOARD

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Peter H. O'Dell  
Assistant Board Secretary







Ontario Energy  
Board  
P.O. Box 2319  
26th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
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Facsimile: 416-440-7656  
Toll free: 1-888-632-6273

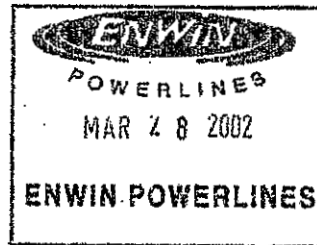
Commission de l'Énergie  
de l'Ontario  
C.P. 2319  
26e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416-481-1967  
Télécopieur: 416-440-7656  
Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

2002 March 27

Klaas Degroot  
General Manager  
EnWin Powerlines Ltd.  
4545 Rhodes Drive  
Windsor, ON  
N9A 5T7



Dear Mr. Degroot:

**Re: EnWin Powerlines Ltd.  
Market Adjusted Rate of Return (MARR) Application  
Board File No. RP-2002-0013/EB-2002-0022**

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

Peter H. O'Dell  
Assistant Board Secretary

c: parties who made submissions

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



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



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Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0013  
EB-2002-0022

March 27, 2002

ONTARIO ENERGY BOARD

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Peter H. O'Dell  
Assistant Board Secretary

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

RP-2002-0013  
 EB-2002-0022

**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

**EnWin Powerlines Ltd.**  
**Schedule of Rates and Charges - Page 2**  
 Effective March 1, 2002

RP-2002-0013  
 EB-2002-0022

**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

**EnWin Powerlines Ltd.**  
**Schedule of Rates and Charges - Page 3**  
 Effective March 1, 2002

RP-2002-0013  
 EB-2002-0022

**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	\$	15.75
-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)		
(discontinued at Market Opening)	Winter	\$ 1.22
	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

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2005-0013

EB-2005-0023

**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:** Gordon Kaiser  
Vice Chair and Presiding Member

Paul Vlahos  
Member

Pamela Nowina  
Member

### **DECISION AND ORDER**

#### **Background and Application**

In November 2003 the Ontario government announced that it would permit local distribution companies to apply to the Board for the next installment of their allowable return on equity beginning March 1, 2005. The Government also indicated that the Board's approval would be conditional on a financial commitment to reinvest in conservation and demand management initiatives, an amount equal to one year's incremental returns.

Also in November 2003, the Government announced, in conjunction with the introduction of Bill 4, the *Ontario Energy Board Amendment Act, (Electricity Pricing), 2003*, that electricity distributors could start recovering Regulatory Assets in their rates, beginning March 1, 2004, over a four year period.

In February and March, 2004, the Board approved the applications of distributors to recover 25% of their December 31, 2002 Regulatory Asset balances (or additional amounts for rate stability) in their distribution rates on an interim basis effective March 1, 2004 and implemented on April 1, 2004.

On December 20, 2004 the Board issued filing guidelines to all electricity distribution utilities for the April 1, 2005 distribution rate adjustments. The guidelines allowed the applicants to recover three types of costs. These costs concern (i) the rate recovery of the third tranche of the allowable return on equity (Market Adjusted Revenue Requirement or "MARR"), (ii) the 2005 proxy allowance for payments in lieu of taxes ("PILs") and (iii) a second installment of the recovery of Regulatory Assets.

A generic Notice of the proceeding was published on January 25, 2005 in major newspapers in the province, which provided a 14 day period for submissions from interested parties. On February 4, 2005, the Board issued Procedural Order No. 1, providing for an extension for submissions until February 16, 2005 and also providing for reply submissions from applicants and other parties.

The Applicant filed an application for adjustments to their rates for the following amounts:

**MARR: \$ 2,253,649**

**2005 PILs Proxy: \$ 7,078,399**

**Regulatory Assets Second Tranche: \$ 4,177,701**

The Applicant also applied for recovery of amounts and/or items outside of the guidelines. Specifically, the Applicant requested:

- recovery of the loss of revenue in the amount of \$107,449 associated with the loss of two large customers
- recovery of \$345,127 in incremental OPEBs - other post employment benefits
- recovery of \$240,447 relating to forgone revenues associated with the reduction of the late payment charge from 2.0% to 1.5%
- PILs proxy that was generated outside the Board's guidelines
- rate adjustment to keep the Monthly Service Charge in each class constant.

### **Submissions**

The Board received one submission which addressed the 2005 rate setting process in general. This submission was made by School Energy Coalition (SEC). SEC objected to the guideline which caused the recovery of the 2005 PILs proxy to be reflected only on the variable charge. SEC was also concerned that monthly service charges and overall distribution charges varied significantly between utilities across the province. SEC also raised concerns regarding the consistency of, and access to, information on the applications as filed by the utilities.

Reply submissions to SEC's general submissions were received from the Coalition of Large Distributors, the Electricity Distributors Association, Hydro One Networks, and the LDC Coalition (a group of 7 distributors). These parties generally argued against the recommendations put forward by SEC, by and large indicating that the Board's existing processes for 2006 and 2007 have been



planned to address these issues going forward and that these issues should not be added to the 2005 rates adjustment process.

SEC made specific submissions for this application:

- the adjustment for the change in the late payment charge should not be allowed because the utility has not provided any evidence
- the adjustment for loss of load should not be allowed because the Applicant, a) is not considering revenue increases associated with new customers and b) such adjustments will be considered in 2006
- an adjustment for the increase in OPEBs recovery for 2005 should not be allowed because, a) no evidence is provided to justify the increase, b) cost decreases have not been taken into account and c) this topic is scheduled for 2006
- the Applicant should be required to seek Phase 2 approval of its regulatory assets immediately because of the improper interim allocation of transition costs (\$13.1 million) and the material impact that any delay in re-allocation will have on schools.
- the rates for 2005 be set after the Phase 2 regulatory assets approval has been granted.

In reply, the Applicant submitted the following:

- a spreadsheet illustrating the calculation of \$240,447 in forgone revenue due to the reduction in the late payment charge
- in regards to the loss of load, the customers in the higher consumption/demand classes are not as easily replaced as customers in the other classes and that particularly in the case of the large user, the Applicant has lost that revenue for the foreseeable future

- a table prepared by the Applicant's actuarial consultants setting out its incremental benefit expenses of \$345,127 as at December 31, 2003
- the 2006 ratemaking process will not address the revenue that will be forgone now, if the Applicant is unable to increase its OPEBs recovery by \$345,127
- a request that the Applicant be afforded the same treatment in regards to regulatory assets recovery as all other distributors that do not have Phase 2 orders
- an assertion that distributors are within their rights to apply for distribution rate adjustments in addition to the 2005 MARR/PILs/regulatory assets adjustment and that it would not be reasonable to require distributors to make separate applications to the Board that can readily be accommodated in a single application
- there is no basis for a cost award in favour of SEC.

The full record of the proceeding is available for review at the Board's offices.

### **Board Findings**

The Board first addresses the general submission of SEC. While SEC raises important issues regarding electricity distribution rates, the Board has put in place a process which will address most of the issues raised by SEC on a comprehensive basis with coordinated cost of service, cost allocation and cost of capital studies for all distributors in 2006, 2007 and 2008. The Board does agree that unless there are compelling reasons to diverge from the Board's original filing guidelines for the 2005 distribution rate adjustment process, distributors should follow the guidelines in their applications.

In regards to the specific submissions by SEC in this application, the out of scope items will be addressed below.

The Board denies SEC's request that the Applicant be required to undergo Phase 2 prudence review of its regulatory assets before its 2005 rates are set. The Board intends to review the regulatory asset balances of all remaining distributors who have not received their final Orders later this year at which time any improper interim allocations will be corrected. In addition, given the time required to complete such a proceeding, the request is not reasonable at this time.

At this time, the Board will approve only the portion of the application that conforms to the guidelines as the generic notice published informed customers and the public of only the changes contemplated in the guidelines. The Applicant may wish to apply for other specific changes to rates in a separate application.

Therefore, the Board denies the Applicant's request for recovery of \$107,449 associated with loss of load and \$345,127 in incremental OPEBs. In addition, the Board denies the Applicant's request for an adjustment to keep the Monthly Service Charge in each class constant. However, the Board will allow the additional revenue claimed in the amount of \$240,447 for the change in the late payment policy as this is consistent with the Board's September 1, 2004 letter directing the Applicant to make such an application in the next rate adjustment process or no later than March 1, 2005. The Board is satisfied that the evidence provided by the Applicant is consistent with Chapter 9 of the Board's Electricity Distribution Rate Handbook.

Since the amounts associated with the loss of load and incremental OPEBs were included in the application as rate adders, the amounts applied for in MARR and the second interim tranche of regulatory assets do not change. However, the Board has amended the PILs proxy to be consistent with the Board's guidelines.

As a result, the Board has made adjustments to the amounts applied for resulting in the following approved amounts:

**MARR: \$ 2,253,649**

**2005 PILs Proxy: \$ 6,719,778**

**Regulatory Assets Second Tranche: \$ 4,177,701**

Subject to these adjustments, the Board finds that the application conforms with earlier decisions of the Board (including approval for the Applicant's Conservation and Demand Management plan), directives and guidelines.

The Board will issue a separate decision on cost awards.

**THE BOARD ORDERS THAT:**

- 1) The rate schedule attached as Appendix "A" is approved effective March 1, 2005, to be implemented on April 1, 2005. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2005 implementation date, the new rates shall be implemented with the first billing cycle for electricity consumed or estimated to have been consumed after April 1, 2005.
- 2) The Applicant shall notify its customers of the rate changes, no later than with the first bill reflecting the new rates and include the brochure provided by the Board.

Ontario Energy Board

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DATED at Toronto, March 30, 2005  
ONTARIO ENERGY BOARD

Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2005-0013  
EB-2005-0023

March 30, 2005

ONTARIO ENERGY BOARD

**EnWin Powerlines LTD.**  
**Schedule of Changed Distribution Rates and Charges**  
 Effective Date: March 1, 2005  
 Implementation Date: April 1, 2005

RP-2005-0013  
 EB-2005-0023

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$6.54
Distribution Volumetric Rate	(per kWh)	\$0.0198

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$18.85
Distribution Volumetric Rate	(per kWh)	\$0.0144

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$251.96
Distribution Volumetric Rate	(per kW)	\$2.9512

**GENERAL SERVICE INTERMEDIATE USE**

Monthly Service Charge	(per month)	\$341.17
Distribution Volumetric Rate	(per kW)	\$0.1214

**LARGE USE - Remaining**

Monthly Service Charge	(per month)	\$5,405.12
Distribution Volumetric Rate	(per kW)	\$1.6608

**LARGE USE - 3TS**

Monthly Service Charge	(per month)	\$46,042.23
Distribution Volumetric Rate	(per kW)	\$3.3400

**LARGE USE - Ford Annex**

Monthly Service Charge	(per month)	\$113,541.84
Distribution Volumetric Rate	(per kW)	\$1.4252

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$3.91
Distribution Volumetric Rate	(per kW)	

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$1.75
Distribution Volumetric Rate	(per kW)	

**Unmetered Scattered Load**

Monthly Service Charge	(per connection)	\$25.46
Distribution Volumetric Rate	(per kW)	

The rates on this schedule include an interim recovery of Regulatory Assets.

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Commission de l'Énergie  
de l'Ontario  
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Télécopieur: (416) 440-7656



March 17, 2004

Giovanna Gesuale  
Manager, Regulatory Affairs  
EnWin Powerlines Ltd.  
4545 Rhodes Drive  
P.O. Box 1625, Stn. "A";  
Windsor ON  
N9A 5T7

Dear Ms. Gesuale:

**Re: Distribution Rate Application  
Board Decision and Order and Interim Rate Schedule**

Attached is the Board's Decision and Order and Interim Rate Schedule with respect to your company's distribution rate application regarding the partial recovery of Regulatory Assets.

Yours truly,

Peter H. O'Dell  
Assistant Secretary

cc. Intervenors of record

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2004-0042  
EB-2004-0028

**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:** Bob Betts  
Presiding Member

Paul Vlahos  
Member

#### **DECISION AND ORDER**

On January 15, 2004 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for distribution rate adjustments related to the recovery of Regulatory Assets, to be effective March 1, 2004 and implemented on April 1, 2004.

The Applicant filed an application for such adjustment. Notice of the proceeding was published on February 5, 2004 in major newspapers in the province.

While the Board had originally intended to approve the disposal of RSVA amounts on a final basis, on analysis of the applications by distributors and the reporting of RSVA amounts in these applications, the Board has now determined that all rate changes should be interim. In the Board's view, it would be premature to set these rates final based on the quality of the data contained in many of the applications and the fact that the audit sampling process by the Board has not been completed.

The Board received some interventions in these proceedings, mainly concerned with Phase Two of the process. The only intervenor to make specific submissions on Phase One of the proceeding was the School Energy Coalition, ("SEC") who objected to any interim increase in rates over and above the RSVA amounts on the basis that appropriate

evidence had not been filed on these amounts. The Board is not convinced by SEC's arguments and sees no reason that Phase One cannot proceed. Phase One only contemplates partial recovery on an interim basis at this time. In Phase Two, the Board will review all applications to ensure that only prudent and reasonably incurred costs are recovered over the four year period mandated by the Minister.

In light of the above, the Board finds that it is in the public interest to order as follows.

**THE BOARD ORDERS THAT:**

- 1) The rate schedule attached is approved on an interim basis, effective March 1, 2004, to be implemented on April 1, 2004. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2004 implementation date, the new rates shall be implemented with the first billing cycle for electricity taken or considered to have been taken from April 1, 2004.
- 2) The Applicant shall notify its customers of the rate changes by including the brochure provided by the Board through a different process, no later than with the first customer bill reflecting the new rates, and provide to the Board samples of any other notices sent by the Applicant to its customers with respect to the rate changes. The Board expects the Applicant to provide notice to all customers about the rate changes, no later than with the first bill reflecting the new rates.

DATED at Toronto, March 17, 2004

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Secretary

**Interim Rates**  
**EnWin Powerlines Ltd.**  
**Schedule of Changed Distribution Rates and Charges**  
 Effective Date: March 1, 2004  
 Implementation Date: April 1, 2004

RP-2004-0042  
 EB-2004-0028

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$	7.68
Distribution Volumetric Rate	(per kWh)	\$	0.0154

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$	22.32
Distribution Volumetric Rate	(per kWh)	\$	0.0118

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$	296.26
Distribution Volumetric Rate	(per kWh)	\$	2.7676

**GENERAL SERVICE INTERMEDIATE USE**

Monthly Service Charge	(per month)	\$	380.86
Distribution Volumetric Rate	(per kWh)	\$	0.9119

**LARGE USE**

Monthly Service Charge	(per month)	\$	16,306.28
Distribution Volumetric Rate	(per kWh)	\$	2.2632

**SENTINEL LIGHTS (Non Time of Use)**

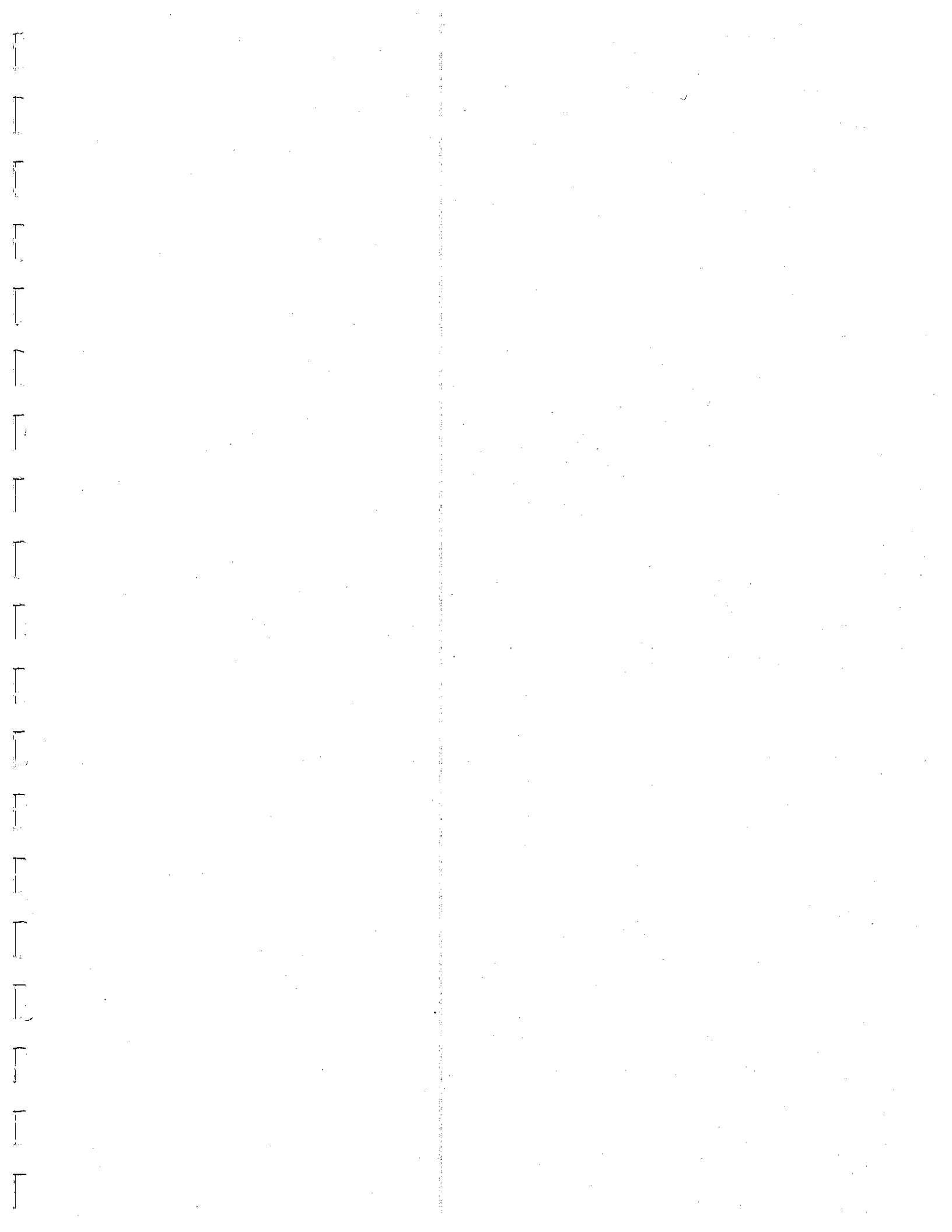
Monthly Service Charge	(per connection)	\$	3.45
Distribution Volumetric Rate	(per kWh)	\$	-

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$	1.43
Distribution Volumetric Rate	(per kWh)	\$	-

**UNMETERED SCATTERED LOAD**

Monthly Service Charge	(per connection)	\$	21.50
Distribution Volumetric Rate	(per kWh)	\$	-



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## DECISION AND ORDER

RP-2003-0189

EB-2003-0234

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:**

Bob Betts  
Presiding Member

Paul Vlahos  
Member

**DECISION AND ORDER**

**The Application and Proceeding**

EnWin Powerlines Ltd. ("EnWin" or the "Applicant") filed an application dated August 20, 2003 with the Ontario Energy Board (the "Board") pursuant to section 78 of the *Ontario Energy Board Act*, 1998, c. 15, Schedule B (the "Act") for an order or orders approving or fixing just and reasonable rates for the distribution of electricity. Approval to make the application was provided by the Minister of Energy, in a letter to the Board, dated July 22, 2003, as required by Section 79.6 (1) of the Act.

The Board assigned file number RP-2003-0189/EB-2003-0234 to this application and issued a Notice of Application, dated September 10, 2003.

DECISION AND ORDER

EnWin owns and operates four transformer stations and some incidental downstream distribution assets that are dedicated to single, large use customers. Two of the four stations, dedicated to the Chrysler Assembly Plant and the General Motors Transmission Plant, have been in service since January 1, 2001, and the other two, dedicated to the Ford Windsor Assembly Plant and the New Ford Annex Plant ("Ford Annex"), have been in service since December 2001. Three of these four sites have been served by EnWin for several years, but were previously served by shared facilities. The fourth site, Ford Annex, is a new customer.

EnWin has virtually identical Transformer Station agreements with Chrysler, GM and Ford's Windsor Assembly Plant, and has a similar agreement for the Ford Annex facility. These agreements specify that the facilities are for the exclusive use of each particular customer. The agreements also specify how the rates for the use of the facilities will be set before Board-approved rates could be established.

EnWin's current rates were approved in accordance with the Electricity Distribution Rate Handbook which required the utility's rate base to be established based upon its financial structure as at December 31, 1999. At that time, only \$9.8 million of the total \$29.8 million capital costs for the four transformer stations was included in rate base. According to EnWin, the \$9.8 million represented the estimated value of the completed portions of the two stations which have been in service since January 1, 2001.

EnWin is applying to add the remaining \$20.0 million of the \$29.8 million total capital cost into its distribution rate base and to reallocate different costs to the appropriate customers and customer classes. To support this objective, EnWin is asking to create two new rate classes. The first is referred to as "Large Use - 3 Existing Transformation Customers (GM, Ford & Chrysler)" or ("3 TS"). The second is referred to as "Ford Annex". EnWin's application is also aimed at correcting an ongoing under-recovery of revenue associated with the dedicated service to the four customers.

To bring the remaining \$20.0 million in dedicated transformation assets into its rate base, EnWin proposed the following methodology:



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DECISION AND ORDER

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- Recalculate unbundled 2001 (first year of PBR) rates excluding the four large use customers with dedicated transformation facilities. That is, remove the revenues and costs associated with these customers from the rest of the utility.
- Based on revenues and costs associated with three of the large use customers (excluding Ford Annex), using the principles of the Rate Handbook and the RUD model, calculate rates for these three customers.
- Based on revenues and costs associated with the provision of service at the Ford Annex transformation facility, and using the principles of the Rate Handbook and the RUD model, calculate rates for the Ford Annex customer.
- Using the rates resulting from this exercise as a starting point, re-calculate the rate adjustment as of March 1, 2002.

This methodology results in significant rate increases for the four large-use customers, and minor rate reductions for other customers.

Three parties requested and were granted intervenor status in this proceeding. They were Ford Motor Company of Canada, Limited ("Ford"), General Motors of Canada Limited ("GM") and Hydro One Networks Inc. ("HONT"). Ford and GM made joint submissions and indicated that they also represented the interests of the third customer affected by the new rate class, namely DaimlerChrysler Limited. They referred to themselves and DaimlerChrysler collectively as the Companies.

The Board found it necessary to issue several Procedural Orders.

On October 14, 2003, the Board issued Procedural Order No.1 setting out dates for the discovery phase of the proceeding and a requirement for EnWin and intervenors to file submissions regarding the Board's intention to proceed with the application by way of a written hearing.

On November 27, 2003, the Board issued Procedural Order No. 2 directing EnWin to provide answers to some unanswered interrogatories.

## DECISION AND ORDER

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In response to an extension request by the Applicant, the Board issued Procedural Order No. 3 on December 5, 2003 extending the deadline for EnWin to provide answers to the unanswered interrogatories. The Board also extended the deadline for EnWin and Intervenors to file submissions regarding the Board's intention to proceed with the application by way of a written hearing.

On December 11, 2003, EnWin provided its responses to the interrogatories. On December 16, 2003, it indicated its support for the Board's intention to proceed with the application by way of a written hearing.

On December 17, 2003, Ford and GM indicated that they would be able to prepare their response to EnWin's application and that they were prepared to proceed by way of a written hearing. However, they requested that the Board require EnWin to make a supplementary submission outlining the expected impacts of the March 1, 2004 and March 1, 2005 distribution rate changes outlined in the Minister of Energy's News Release of November 25, 2003.

The Board's consideration of this submission led to a finding that the issue of future distribution rate changes are separate from the issues arising out of this proceeding and therefore denied Ford and GM's request to have EnWin make a supplementary submission.

Copies of the evidence and all submissions of the proceeding are available for review at the Board's offices. The Board has considered all of the evidence and submissions, but has summarized these only to the extent necessary to provide context for its findings.

### Ford and GM's Submissions

Ford and GM argued that rate making principles do not replace the need for EnWin and the Board to apply the specific requirements of the Tri-Party and TS' (transformation service) agreements; and furthermore, the general intent of these agreements must be respected to the extent feasible within normal public policy considerations. They further stated that the rates for the new class must be consistent with the agreements. They also indicated that their expectation was that, assuming certain conditions, they would continue to pay the same rates as other 27.6 kV customers.

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DECISION AND ORDER

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Ford and GM asserted that a full cost allocation study must be done in order to determine appropriate rates for a new customer class. They argued that EnWin's combined use of 1999 historic distribution cost data, along with current cost allocations based upon the new assets leads to a higher allocation of costs to the new customer classes. Ford and GM indicated that they had not tried to trace the details of the calculations; however, their initial estimates led them to this conclusion.

Ford and GM evaluated the EnWin proposal based upon generally accepted criteria for considering the creation of a new customer class as well as the steps to be followed to create it.

The first criterion relates to materiality and Ford and GM submitted that the impact of the revenue shortfall was not material to EnWin, and thus did not provide adequate reason to create a new rate class. The second test relates to prudence. Ford and GM acknowledge that it was prudent to take steps to correct the low quality transformation service existing prior to the upgrade. They took no position on whether the expenditures themselves were prudent.

Ford and GM argued that a new rate class is not required now for revenue recovery reasons because the PBR scheme under which EnWin currently operates anticipates spending on new assets during the PBR term. Even if additional revenue recovery is required, there are other alternatives available such as use of Transmission Connection revenues, described in Paths A & B below.

Ford and GM further argued against the new rate class by asserting that it fails the test of fairness as EnWin has not adequately tracked costs to ensure, as much as possible, equal treatment of customers based upon cost causality. Ford and GM argued that the new rate class failed to satisfy the two final criteria, encouragement of efficient use of facilities and public acceptability, because rates associated with the class do not reflect true costs and represent increases to some customers in the face of decreases to others.

Ford and GM asked the Board to reject EnWin's proposal, and offered two alternatives.

Ford and GM's first alternative, described as Path A, provided their estimates of costs derived from interrogatory responses from EnWin. They estimated total cost allocations to be \$2.45 million rather than the \$4.55 million as included in the Applicant's proposal, and attributed the

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DECISION AND ORDER

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majority of the cost differential to administration costs. They submitted that the EnWin proposal should be adjusted to reflect the lower cost estimate being \$2.45 million as they have estimated, rather than the \$4.55 million proposed by EnWin. Path A also recommended that the Board require EnWin to make an application proposing to reduce the Retail Transmission Connection Rate to exclude the transmission connection component and include only the line connection component.

Path B recommended that EnWin submit a proposal allowing it to receive from the Retail Line and Transformation Connection Rate sufficient revenue to cover the revenue requirement associated with transformation assets that were not included in the distribution rate base, using the two-thirds of the Board's target Market Based Revenue Requirement ("MBRR"). Ford and GM estimated the revenue recoverable under this scenario to be \$0.95 million per year.

Ford and GM submitted that Path B is consistent with a recent Board decision resulting from a case recently before it. This decision, issued on September 24, 2003, concerns an application made by Cambridge and North Dumfries Hydro Inc. relating to transformer station funding. Ford and GM contend that this decision established the principle that a distribution utility could receive revenue from the Retail Line and Transformation Connection Rate for assets not included in the distribution rate base.

#### EnWin's Reply Submissions

In its Reply Submission, EnWin noted that Ford and GM had acknowledged that:

1. Under the transformer station agreements, EnWin has the right to make application to the Board for just and reasonable rates;
2. the three TS customers have been underpaying for distribution service, and are prepared to accept a remedying of this situation; and
3. the Ford Annex rates are not in dispute.

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DECISION AND ORDER

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EnWin's main argument is that the proposal allocates to the Companies their fair share of costs, and eliminates cross-subsidies currently paid by other customers. The costs borne by the Companies should include the undepreciated capital cost and associated rate of return on the distribution assets made redundant by the new transformation stations.

EnWin also submitted that the rate making methodology it employed to determine the rates for the Companies is entirely consistent with the way rates have been set for all of its customers and for customers of all LDCs in Ontario. EnWin further pointed out that the methodology used employs both the Board approved Rate Unbundling Model ("RUD") and Rate Adjustment Model ("RAM") which are based on the provisions of the Electricity Distribution Rate Handbook.

Regarding Ford and GM's argument that the proposal would allow EnWin to earn excess return, EnWin affirmed that the rate of return used to calculate the proposed rates is two-thirds of the MBRR allowed by the Board.

EnWin submitted that the approach it used is a reasonable interim one, given that there are clear problems with the current approved rates, and that the majority of costs associated with supplying the Companies is known with certainty.

Regarding Ford and GM's submission concerning the applicability of the recent Board decision relating to the Cambridge and North Dumfries Application to this case, EnWin pointed out that there are substantial differences between the Cambridge and North Dumfries situation and EnWin's, the primary one being that the referenced decision focused on system transformation assets, while this application is focused on customer dedicated transformation assets. EnWin argued that, in any case, the solution proposed by Ford and GM would still not ensure that the Companies pay the full cost of the transformer stations built specifically to serve them.

With regard to the Ford and GM's criteria for creating a new customer class and the associated rate making process, EnWin argued that the revenue shortfall that led to the requirement for the new class was clearly material.

## DECISION AND ORDER

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In response to Ford and GM's evaluation of prudence, EnWin indicated that the transformer stations were built to industry standards and prudently pursued following consultation with interested parties and evaluation of appropriate standards and designs.

EnWin did not agree with Ford and GM's proposals for different ways to handle the Recovery of Revenue Requirement issue generally arguing that any method, other than that proposed by EnWin, would result in cross subsidization and a failure to apply cost causality.

With respect to rate stability, EnWin indicated that its proposed one-time change to accomplish this rate adjustment would not create rate instability, even if the cost allocation study generated a subsequent decrease in the expected multi-year time frame.

EnWin indicated that it was willing to limit its claim to retroactivity to January 10, 2003.

### Board Findings

There is a substantive rate making issue involved in this matter, which has contributed to the misunderstanding and dispute between EnWin and the Companies, and in our view requires comment.

The matter relates to the appropriateness of altering the Board-approved rate structure to recover capital costs associated with extraordinary spending on dedicated facilities for individual or small groupings of customers.

First, rate making practices support the principle that for administrative ease and efficiency there should be no more customer classes than is absolutely necessary.

Second, customers should be classified by the type of service they require and the quantum and pattern of electricity they expect to use or require to have available. Generally speaking, they should not be classified by the facilities they have or the use to which they put the energy.

Proper rate making practice would require that the arrangements made between the three customers (Ford, GM and DaimlerChrysler) and the distributor to provide the necessary facility

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DECISION AND ORDER

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upgrades should have separated the matters of payment of ongoing distribution rates from the responsibility for payments designated as contributions toward the infrastructure upgrade.

Efforts should have been made to determine what costs should have been isolated to permit the remaining costs to be appropriately allocated to the large use rate class, and thereby allow the new customers to be included in that rate class. This would then imply that another mechanism, such as contributions in aid of construction, would be utilized outside of rates to support the improvements.

The Board applies the same rationale to the matter of the customer class created for Ford Annex. All four transformation sites, including Ford Annex, should have been financed to permit them to be included in the existing large use rate class.

We acknowledge that LDCs and large consumers are on a learning curve in the new electricity environment, and have entered into their new arrangements in good faith. The Board has therefore dealt with the creation of a new class and the appropriateness of the rate classes on the face value of the submissions made. Furthermore, the Board will not open the matter of the Ford Annex class creation to any further scrutiny than has already occurred as a result of this application.

The Board expects future arrangements for dedicated facility improvements to be handled using methods recognized by the Electricity Distribution Rates Handbook or other traditional rate making principles and practices.

With respect to the specifics of this application and the submissions received, we have found certain points either agreed upon by the parties or at least uncontested.

The parties do not dispute the total amount capital expenditure and they all agree that the expenditures were necessary and have resulted in better service to the customers.

The parties do not dispute the creation of a new customer class to recover costs from Ford Annex, nor do they indicate any issues around the rate making methodology applied to the creation of the new Ford Annex class.

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## DECISION AND ORDER

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The parties do not dispute that EnWin is exposed to a shortfall in revenue as a result of the spending on the dedicated facilities; however, they do dispute the amount of the shortfall, and how or even if it should be recovered at this time.

It will enhance the clarity of these findings if the Board initially deals with the transformer station agreements and their relationship to this decision. While the Board tries to respect agreements made between parties in any matter, it cannot allow such agreements to take primacy over the Board's legislated objectives and its fundamental responsibility to ensure just and reasonable rate treatment.

The Board is not convinced by the arguments that the terms and conditions of TS agreements should cause the Board to take a view materially different from its normal rate making approach. This is particularly true when the decision affects the interests of other stakeholders that are not party to the agreements. In this case, the other stakeholders are other utility customers.

While the Board reemphasizes that it does not espouse the creation of new rate classes to handle dedicated asset additions, we will address the points made with respect to criteria for creating new rate classes, within the framework of this application.

Ford and GM's analysis of the criteria to be considered and the steps to be followed in creating a new customer class led them to conclude that the new rate classes should not be created. However, unlike Ford and GM, we find that the creation of the new TS 3 customer class would represent an appropriate outcome when applying the class creation criteria and following the creation steps Ford and GM described in their submission.

There was no evidence challenging the prudence of the capital spending and EnWin's submissions convinced the Board that this spending supported the encouragement of efficient use of facilities, not only from a rate perspective, but also in serving its customers in an efficient and fair manner. The projected revenue shortfall is a material issue to the utility and its customers, and EnWin's proposed TS 3 class creation does address the issues of revenue requirement, fairness and rate stability.



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DECISION AND ORDER

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The Board finds that under the unique circumstances of this application it is appropriate to create a new customer class. The Board agrees with the consensus position of all parties that a full cost allocation study is the most appropriate method of determining the costs attributable to the three customers in the new 3 TS customer class. We acknowledge the position of both parties recognizing the difficulty in doing a full cost allocation study to resolve this issue at this time.

Ford and GM's Path A solution included estimates of annual revenue requirement to serve the 3TS customer class of \$2.45 million rather than the \$4.55 million. These estimates lack sufficient depth and detailed analysis to convince us that Path A represented a reasonable alternative. Ford and GM also failed to cast sufficient doubt on the EnWin approach to cause the Board to reject EnWin's application due to concerns of unfair or unjust treatment of the Companies, or over-collection from the new class. EnWin has used reasonable methods to estimate the costs. The results are a fall out from those methods.

Ford and GM suggested that the Board could be guided by a transformer station funding decision in an application by Cambridge and North Dumfries Hydro Inc. We find that the circumstances were substantially different in that proceeding, with the primary difference relating to common distribution system assets versus transformation assets dedicated to specific customers.

Ford and GM asserted that the mixed use of 1999 distribution cost data and RUD Model, and the application of cost data associated with the new facilities, unfairly loaded costs on the Companies. We have not been convinced that unfair cost allocation is inherent in this methodology. We find that the mixed use of historic data and new directly attributable data represents a reasonable and sincere effort to fairly apportion costs to the Companies, using the most reliable information and tools available. This approach does represent a transfer of costs from one customer to another, as asserted by Ford and GM, but is a reasonable approach in apportioning the costs to customers based on cost causality.

The Board therefore must either find to accept the reallocation of costs as proposed by EnWin, or delay the implementation of any reallocation until a full cost allocation study can be completed.

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## DECISION AND ORDER

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We find that delaying the reallocation of costs would unfairly apportion these dedicated facility costs to other customers, and unfairly adopt an under-recovery of revenue for the utility going forward. We further find that January 10, 2003 is an acceptable date to begin to apply the new rates, as was agreed by both parties.

The Board notes that when a full cost allocation study is done for EnWin as part of the Board's plan, any mis-allocation of costs will be addressed.

In an effort to provide a better understanding of these findings, we must elaborate further on some rate making issues.

First, Ford and GM submitted that they should not be apportioned costs based upon a Rate of Return ("ROR") on the assets made redundant by the new facilities. The evidence indicates that the redundant facilities under consideration remain in service to some customers, but are largely under-utilized as a result of the Companies being supplied through the new assets.

We find that it would be unfair to expect the customers left with the under-utilized facilities to bear the full cost of those facilities. The Companies should reasonably continue to contribute toward the costs of those facilities, at least until they are either removed from service, or fully utilized by other customers. We find that the Companies should be apportioned their fair share of the undepreciated capital cost of and the associated rate of return on the distribution assets made redundant by the new transformer stations. The Board notes that the Applicant has clarified the Ford and GM's concerns about full recovery of MBRR by indicating its proposed rate is based on a recovery of only two thirds of the MBRR, as proposed by Ford and GM.

We note that EnWin has recently received the Board's March 17, 2004 Decision and Order, whereby new rates will be implemented on April 1, 2004.

To avoid a separate rate change and minimize customer confusion, the Board directs that the rate changes applied for by EnWin in this matter be implemented prospectively at the same time as the changes approved in the Board's March 17, 2004 Decision. The revised rate schedule to be submitted to the Board shall be supported by the appropriate documentation for the Board's review.

DECISION AND ORDER

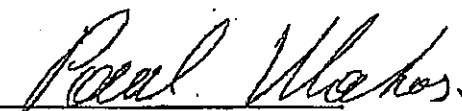
EnWin shall include in its filing with the Board its plan, with appropriate documentation, regarding the adjustments to customers' bills necessitated by the approved effective date of January 10, 2003 for those rate changes addressed in this proceeding.

The Board finds that each party should to be responsible for its own costs. Board costs, if any, will be paid for by EnWin upon receipt of an invoice.

DATED at Toronto, March 19, 2004



Bob Betts  
Presiding Member



Paul Vlahos  
Member

Ontario Energy  
Board  
P.O. Box 2319  
26th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
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Commission de l'Énergie  
de l'Ontario  
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2004 March 19

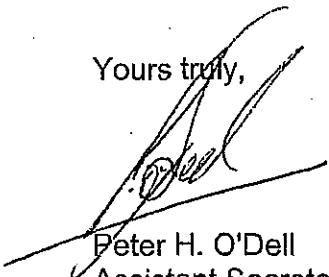
Giovanna Gesuale  
EnWin Powerlines Ltd.  
4545 Rhodes Drive  
P.O. Box 1625, Stn. "A";  
Windsor ON  
N9A 5T7

Dear Ms. Gersula:

**Re: EnWin Powerlines Ltd - Rates and Charges - RP-2004-0042/EB-2004-0028**

Attached please find a corrected Interim Rates Schedule replacing the schedule issued to EnWin with the Decision and Order. Should you have any questions on this matter, contact Harold Theissen, Senior Advisor at 416-440-7637.

Yours truly,



Peter H. O'Dell  
Assistant Secretary

c: Intervenors of Record

att:

Interim Rates  
EnWin Powerlines Ltd.  
Schedule of Changed Distribution Rates and Charges  
Effective Date: March 1, 2004  
Implementation Date: April 1, 2004

RP-2004-0042  
EB-2004-0028

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$	7.68
Distribution Volumetric Rate	(per kWh)	\$	0.0154

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$	22.32
Distribution Volumetric Rate	(per kWh)	\$	0.0118

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$	296.26
Distribution Volumetric Rate	(per kW)	\$	2.7676

**GENERAL SERVICE INTERMEDIATE USE**

Monthly Service Charge	(per month)	\$	380.86
Distribution Volumetric Rate	(per kW)	\$	0.9119

**LARGE USE**

Monthly Service Charge	(per month)	\$	16,306.28
Distribution Volumetric Rate	(per kW)	\$	2.2632

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$	3.48
Distribution Volumetric Rate	(per kW)	\$	-

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$	1.44
Distribution Volumetric Rate	(per kW)	\$	-

**UNMETERED SCATTERED LOAD**

Monthly Service Charge	(per connection)	\$	21.75
Distribution Volumetric Rate	(per kW)	\$	-

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April 1, 2004

Giovanna Gesuale  
Manager, Regulatory Affairs  
EnWin Powerlines Ltd.  
4545 Rhodes Drive  
P.O. Box 1625, Stn. "A";  
Windsor ON  
N9A 5T7

Dear Ms. Gesuale:

**Re: Distribution Rate Application  
Board Decision and Order and Interim Rate Schedule  
Board file number RP-2003-0189/EB-2003-0234 RP-2004-0042/EB-2004-0028  
EB-2004-0233**

Attached is the Board's Decision and Order and Interim Rate Schedule in the above matters and an executed copy is enclosed herewith.

Yours truly,

Peter H. O'Dell  
Assistant Secretary

cc. Intervenors of record

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2003-0189  
EB-2003-0234  
RP-2004-0042  
EB-2004-0028  
EB-2004-0233

**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  
Presiding Member

Bob Betts  
Member

### DECISION AND ORDER

On March 26, 2004, EnWin Powerlines Ltd. ("EnWin" or the "Applicant") filed an application with the Ontario Energy Board (the "Board") pursuant to section 78 of the *Ontario Energy Board Act, 1998*, c. 15, Schedule B (the "Act") for an order or orders approving or fixing just and reasonable rates for the distribution of electricity. The Board assigned file number RP-2004-0042/EB-2004-0233 to this application.

The application was made as a result of two previous Board decisions as described below.

On August 20, 2003, EnWin filed an application with the Board pursuant to section 78 of the Act for an order or orders approving or fixing just and reasonable rates for the distribution of electricity. Approval to make the application was provided by the Minister of Energy in a letter to the Board, dated July 22, 2003, as required by Section 79.6 (1) of

the Act. The Board assigned file number RP-2003-0189/EB-2003-0234 to this application. In this application, EnWin applied to add \$20.0 million in capital costs into its distribution rate base regarding four transformer stations and to reallocate different costs to an expanded number of customer classes.

On January 25, 2004, EnWin applied for distribution rate adjustments related to the recovery of Regulatory Assets, to be effective March 1, 2004 and implemented on April 1, 2004. The Board assigned file number RP-2004-0042/EB-2004-0028 to this application. On March 17, 2004 the Board issued its Decision and Order and a schedule of interim rates.

On March 19, 2004 the Board issued its Decision and Order in the above RP-2003-0189/EB-2003-0234 proceeding, in which the Board approved new rates effective January 10, 2003. The Board noted that EnWin had recently received the Board's March 17, 2004 Decision and Order (RP-2004-0042/EB-2004-0028) regarding EnWin's application for the recovery of Regulatory Assets, whereby the new rates from that decision and order would be implemented on April 1, 2004. To avoid a separate rate change and minimize customer confusion, the Board directed that the rate changes applied for by EnWin in the RP-2003-0189/EB-2003-0234 proceeding be implemented prospectively at the same time as the changes approved in the Board's March 17, 2004 Decision and Order. In addition, the Board requested that EnWin include in its filing with the Board its plan for adjusting customers' bills necessitated by the approved effective date of January 10, 2003 to the date of implementation of the rates. On April 1, the Board received a letter from EnWin, in which EnWin advised that it will be filing such plan by April 16, 2004.

### **Board Findings**

The Board is disappointed that EnWin did not file its plan for adjusting customers' bills necessitated by the approved effective date of January 10, 2003 to the rate implementation date of April 1, 2004. In fact, EnWin filed its April 1, 2004 letter only after the Board enquired about the reasons for the absence of the plan in its filing.



The Board considered not approving the implementation of the new rates until such plan was made available and reviewed by the Board, which could have resulted in financial loss to EnWin. The Board concluded that, on balance, it is appropriate to allow EnWin to proceed with the April 1, 2004 implementation date despite the absence of the requested plan. The Board wishes to caution EnWin that the Board's directions should be complied with as specified in the Board's decisions and orders.

**THE BOARD ORDERS THAT:**

- 1) The rate schedule attached is approved on an interim basis, effective March 1, 2004, to be implemented on April 1, 2004. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2004 implementation date, the new rates shall be implemented with the first billing cycle for electricity taken or considered to have been taken from April 1, 2004.
- 2) The Applicant shall notify its customers of the rate changes by including the brochure provided by the Board through a different process, no later than with the first customer bill reflecting the new rates, and provide to the Board samples of any other notices sent by the Applicant to its customers with respect to the rate changes. The Board expects the Applicant to provide notice to all customers about the rate changes, no later than with the first bill reflecting the new rates.

DATED at Toronto, April 1, 2004

Signed on behalf of the Panel

- in fact, retro-billing  
were done for all  
cust classes back to  
Jan 10/2003

- rebate done



Paul Vlahos  
Presiding Member

Interim Rates  
EnWin Powerlines Ltd.  
Schedule of Changed Distribution Rates and Charges  
Effective Date: March 1, 2004  
Implementation Date: April 1, 2004

RP-2003-0189  
EB-2003-0234  
RP-2004-0042  
EB-2004-0028  
EB-2004-0233

RESIDENTIAL

Monthly Service Charge	(per month)	\$	7.60
Distribution Volumetric Rate	(per kWh)	\$	0.0154

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$	21.80
Distribution Volumetric Rate	(per kWh)	\$	0.0118

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	\$	292.62
Distribution Volumetric Rate	(per kW)	\$	2.7681

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge	(per month)	\$	376.18
Distribution Volumetric Rate	(per kW)	\$	0.9034

LARGE USE - Remaining

Monthly Service Charge	(per month)	\$	6,277.32
Distribution Volumetric Rate	(per kW)	\$	2.1572

LARGE USE - 3 TS

Monthly Service Charge	(per month)	\$	58,268.42
Distribution Volumetric Rate	(per kW)	\$	3.3579

LARGE USE - Ford Annex

Monthly Service Charge	(per month)	\$	122,434.36
Distribution Volumetric Rate	(per kW)	\$	-

SENTINEL LIGHTS (Non Time of Use)

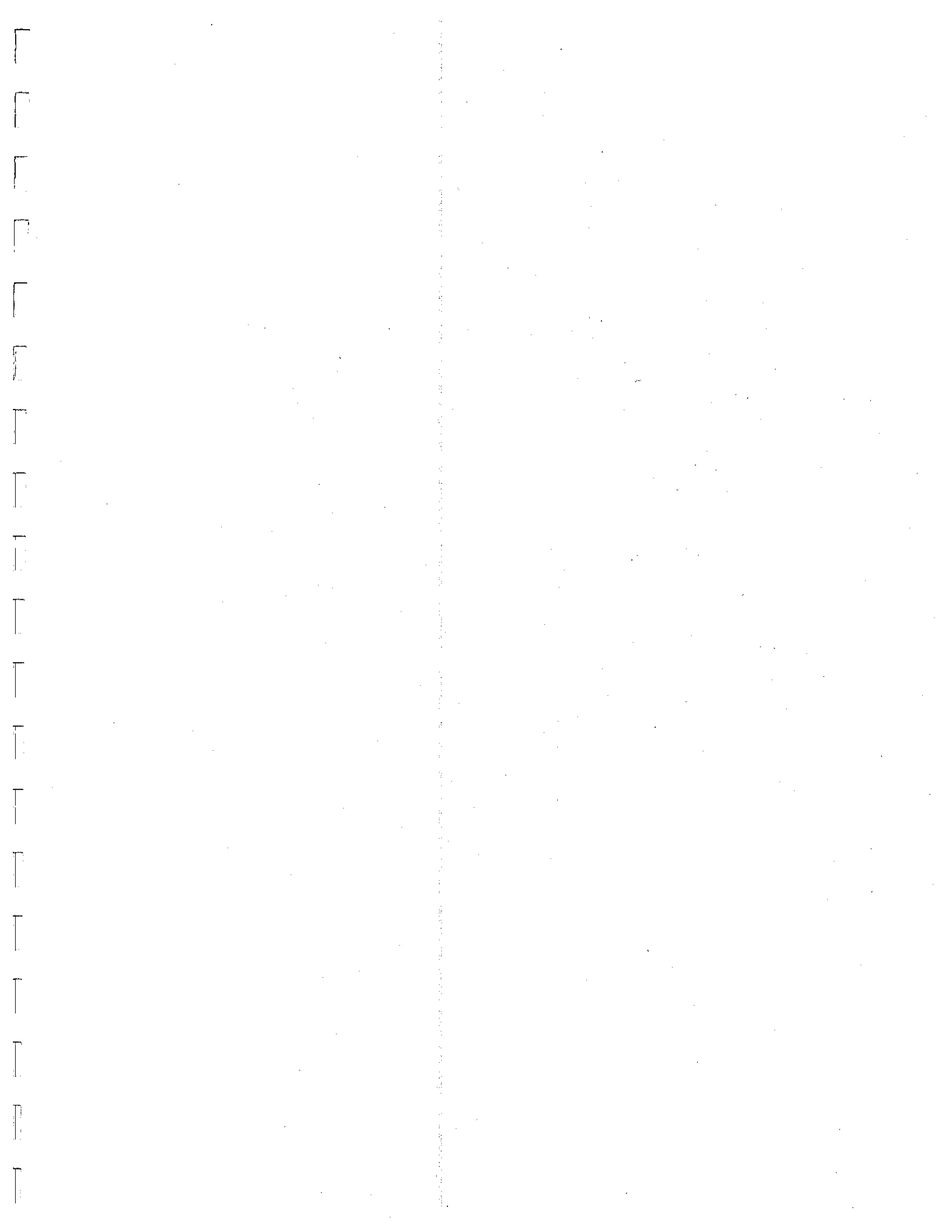
Monthly Service Charge	(per connection)	\$	3.48
Distribution Volumetric Rate	(per kW)	\$	-

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	\$	1.44
Distribution Volumetric Rate	(per kW)	\$	-

UNMETERED SCATTERED LOAD

Monthly Service Charge	(per connection)	\$	22.30
Distribution Volumetric Rate	(per kW)	\$	-





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Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

2002 March 20

Terry Adderley  
President  
Scugog Hydro Energy Corporation  
100 Taunton Rd East  
P.O. Box 59  
Whitby., ON  
L1N 5R8

Dear Mr. Adderley:

Re: **Scugog Hydro Energy Corporation**  
**Market Adjusted Rate of Return (MARR) Application**  
**Board File No. RP-2002-0065/EB-2002-0074**

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

Peter H. O'Dell  
Assistant Board Secretary

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0065

EB-2002-0074

**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 Scugog  
Hydro Energy Corporation 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.

Scugog Hydro Energy Corporation ("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 and August 1, 2002.

The Applicant filed a revised application ("the Revised Application") dated March 14, 2002.

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 not named in any 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 effective March 1, 2002 for the following:

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$5,020.
- the 2002 Payments in Lieu of Taxes (PILs), \$41,506.

The Applicant also applied to adjust its distribution rates effective August 1, 2002 for the following:

- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), \$62,851.
- an interim transition cost recovery of \$2,500.
- a provision to recover the net loss in 1999, \$65,325.

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 Applicant requested recovery of a net loss in 1999 of \$65,325. The Board finds this proposal to be contrary to generally accepted regulatory principles established in the setting of rates for electricity distributors in Ontario and the specific provisions in the Rate Handbook. The Board denies the Applicant's request. As a result of this disallowance, the 2002 Payments in Lieu of Taxes (PILs) are adjusted to correct for an overstatement of \$15,443.

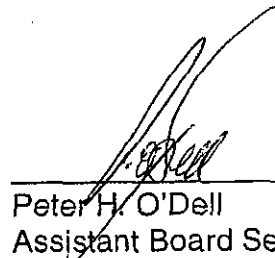
Subject to these adjustments, the Board finds that the Applicant's proposals in the Revised Application conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

**THE BOARD ORDERS THAT:**

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

DATED at Toronto, March 20, 2002.

ONTARIO ENERGY BOARD



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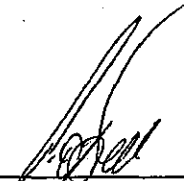
Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0065  
EB-2002-0074

March 20, 2002

ONTARIO ENERGY BOARD

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Peter H. O'Dell  
Assistant Board Secretary

**Scugog Hydro Energy Corp.**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0065  
 EB-2002-0074

**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)	\$6.04
Distribution Volumetric Rate	(per kWh)	\$0.0075
Cost of Power Rate	(per kWh)	\$0.0762

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$15.20
Distribution Volumetric Rate	(per kWh)	\$0.0063
Cost of Power Rate	(per kWh)	\$0.0751

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$143.20
Distribution Volumetric Rate	(per kW)	\$1.1479
Cost of Power Demand Rate	(per kW)	\$8.0105
Cost of Power Energy Rate	(per kWh)	\$0.0526

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$1.79
Distribution Volumetric Rate	(per kW)	\$4.7627
Cost of Power Demand Rate	(per kW)	\$23.3957

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.40
Distribution Volumetric Rate	(per kW)	\$2.9236
Cost of Power Demand Rate	(per kW)	\$23.3871

**Scugog Hydro Energy Corporation**  
**Schedule of Rates and Charges - Page 2**  
 Effective March 1, 2002

RP-2002-0065  
 EB-2002-0074

**UNMETERED SCATTERED LOADS**

Monthly Service Charge	(per month)	\$9.39
Distribution Volumetric Rate	(per kWh)	\$0.0194
Cost of Power Rate	(per kWh)	\$0.0710

**SPECIFIC SERVICE CHARGES**

New Account Setup		\$9.00
Arrear's Certificate		\$12.70
Dispute Involvement Charge		\$10.00
Late Payment Charge	(per month)	1.50%
	(per annum)	19.56%
Returned Cheque (plus actual bank charges)		\$9.00
Collection of Account Charge		\$9.00
Disconnect/Reconnect Service For Reasons Other Than Safety		\$50.00
Disconnect/Reconnect Service (non payment of account)		
At Meter - During Regular Hours		\$20.00
At Meter - After Regular Hours		\$50.00
Service Calls		
- During Regular Hours		\$17.00
- After Regular Hours		\$26.80
Temporary Pole Service		\$200.00
Diversity Adjustment Credit (per KW)	Winter	\$2.29
(discontinued at Market Opening)	Summer	\$1.68
Transformer Ownership Credit		
(per kW of billing demand for transformation that meets utility transformer loss specifications )		\$0.60
Primary Metering Loss	(kW and kWh billed)	1%

Appendix "B"

RP-2002-0065  
EB-2002-0074

March 20, 2002

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read 'P. O'Dell', is written over a horizontal line.

Peter H. O'Dell  
Assistant Board Secretary

**Scugog Hydro Energy Corp.**  
**Schedule of Rates and Charges**  
 Effective August 1, 2002

RP-2002-0065  
 EB-2002-0074

**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)	\$6.84
Distribution Volumetric Rate	(per kWh)	\$0.0085
Cost of Power Rate	(per kWh)	\$0.0762

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$17.22
Distribution Volumetric Rate	(per kWh)	\$0.0072
Cost of Power Rate	(per kWh)	\$0.0751

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$162.24
Distribution Volumetric Rate	(per kW)	\$1.3004
Cost of Power Demand Rate	(per kW)	\$8.0105
Cost of Power Energy Rate	(per kWh)	\$0.0526

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$2.03
Distribution Volumetric Rate	(per kW)	\$5.3943
Cost of Power Demand Rate	(per kW)	\$23.3957

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.45
Distribution Volumetric Rate	(per kW)	\$3.3118
Cost of Power Demand Rate	(per kW)	\$23.3871



**Scugog Hydro Energy Corporation**  
**Schedule of Rates and Charges - Page 2**  
 Effective August 1, 2002

RP-2002-0065  
 EB-2002-0074

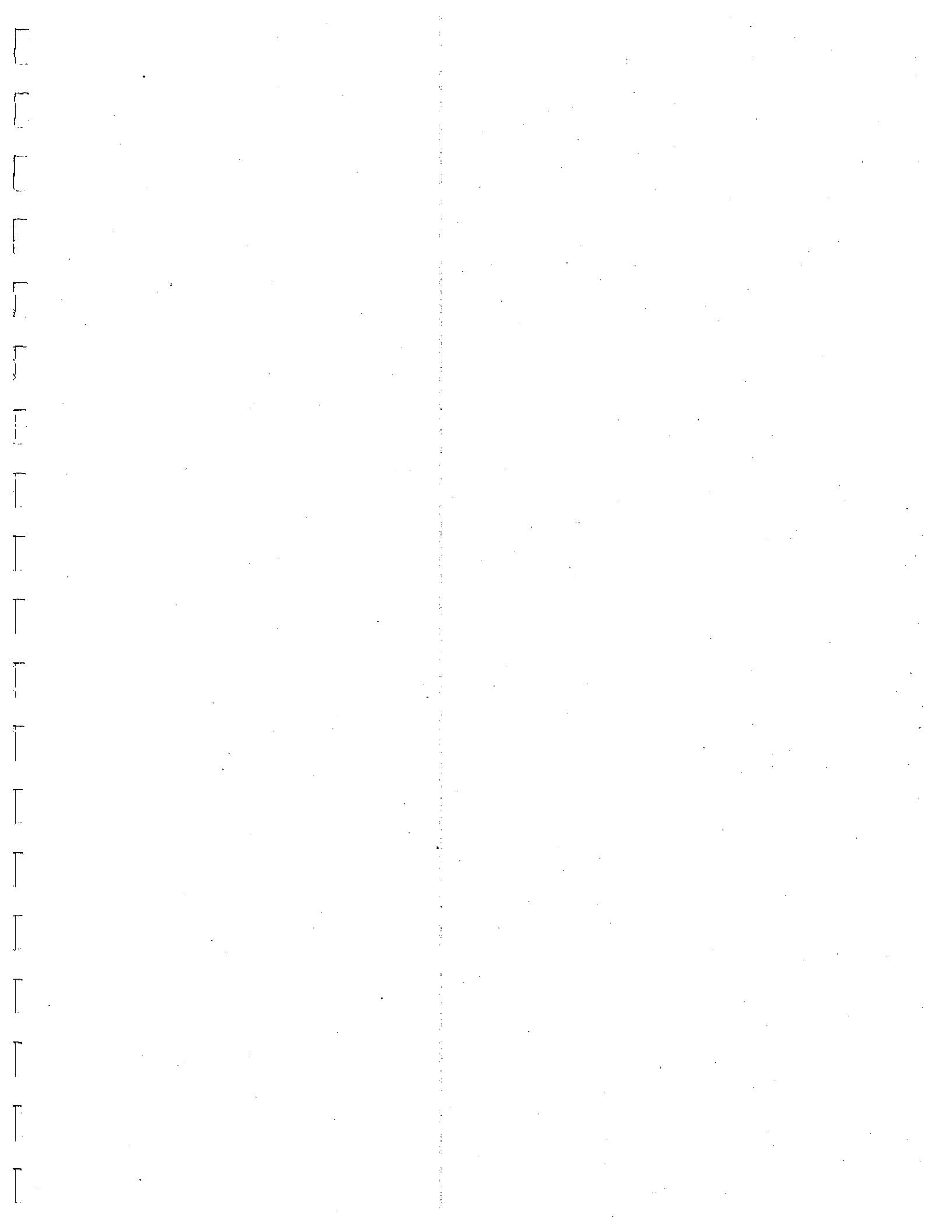
**UNMETERED SCATTERED LOADS**

Monthly Service Charge	(per month)	\$10.64
Distribution Volumetric Rate	(per kWh)	\$0.0220
Cost of Power Rate	(per kWh)	\$0.0710

**SPECIFIC SERVICE CHARGES**

New Account Setup		\$9.00
Arrear's Certificate		\$12.70
Dispute Involvement Charge		\$10.00
Late Payment Charge	(per month)	1.50%
	(per annum)	19.56%
Returned Cheque (plus actual bank charges)		\$9.00
Collection of Account Charge		\$9.00
Disconnect/Reconnect Service		
For Reasons Other Than Safety		\$50.00
Disconnect/Reconnect Service (non payment of account)		
At Meter - During Regular Hours		\$20.00
At Meter - After Regular Hours		\$50.00
Service Calls		
- During Regular Hours		\$17.00
- After Regular Hours		\$26.80
Temporary Pole Service		\$200.00
Diversity Adjustment Credit (per KW)	Winter	\$2.29
(discontinued at Market Opening)	Summer	\$1.68
Transformer Ownership Credit		
(per kW of billing demand for transformation that meets utility transformer loss specifications )		\$0.60
Primary Metering Loss	(kW and kWh billed)	1%





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Ontario Energy  
Board  
P.O. Box 2319  
26th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
Toll free: 1-888-632-6273

Commission de l'Énergie  
de l'Ontario  
C.P. 2319  
26e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

March 8, 2002

John Wiersma  
General Manager  
Veridian Connections Inc.  
55 Taunton Road East  
Ajax, ON  
L1T 3V3

Dear Mr. Wiersma:

**Re: Veridian Connections Inc. - Port Hope Hydro  
March 2002 LDC Rate Adjustments  
Board File No. RP-2002-0076/EB-2002-0085**

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

  
Peter H. O'Dell  
Assistant Board Secretary

*Copied:*  
PN  
AS  
DC  
RL  
March 11/02

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0076  
EB-2002-0085

**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  
Veridian Connections Inc. - Port Hope Hydro 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.

Veridian Connections Inc. - Port Hope Hydro ("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 filed a revised application ("the Revised Application") dated February 27, 2002. The Revised Application included changes in the calculation of Payments in Lieu of Taxes (PILs) for both 2001 and 2002, as well as minor changes in the rate schedule.

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. One submission was received from a general service customer requesting a written hearing. In the submission, the customer states that the average percentage increase in rates does not reflect the true financial impact on the company.

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), \$237,146.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$103,381.11.

- the 2002 Payments in Lieu of Taxes (PILs), \$276,658.31.
- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, \$25,606.96.

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 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 8, 2002.

ONTARIO ENERGY BOARD



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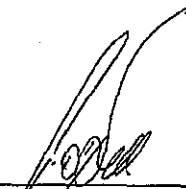
Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0076  
EB-2002-0085

March 8, 2002

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read 'P. O'Dell', is written over a horizontal line.

Peter H. O'Dell  
Assistant Board Secretary

**Veridian Connections Inc. - Port Hope**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0076  
 EB-2002-0085

**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)	\$10.71
Distribution Volumetric Rate	(per kWh)	\$0.0088
Cost of Power Rate	(per kWh)	\$0.0765

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$5.96
Distribution Volumetric Rate	(per kWh)	\$0.0098
Cost of Power Rate	(per kWh)	\$0.0790

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$88.25
Distribution Volumetric Rate	(per kW)	\$2.9470
Cost of Power Demand Rate	(per kW)	\$5.0399
Cost of Power Energy Rate	(per kWh)	\$0.0547

**GENERAL SERVICE > 50 KW (Time of Use)**

Monthly Service Charge	(per month)	\$8.43
Distribution Volumetric Rate	(per kW)	\$0.1051
Cost of Power - Winter Peak	(per kW)	\$10.9655
Cost of Power - Summer Peak	(per kW)	\$7.5777
Cost of Power - Winter Peak	(per kWh)	\$0.0717
Cost of Power - Winter Off Peak	(per kWh)	\$0.0428
Cost of Power - Summer Peak	(per kWh)	\$0.0605
Cost of Power - Summer Off Peak	(per kWh)	\$0.0317

**Veridian Connections Inc. - Port Hope**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0076  
 EB-2002-0085

**GENERAL SERVICE INTERMEDIATE USE** (3 MW - 5 MW)

Monthly Service Charge	(per month)	\$5,424.11
Distribution Volumetric Rate	(per kW)	\$0.9247
Cost of Power - Winter Peak	(per kW)	\$10.2425
Cost of Power - Summer Peak	(per kW)	\$8.4788
Cost of Power - Winter Peak	(per kWh)	\$0.0717
Cost of Power - Winter Off Peak	(per kWh)	\$0.0428
Cost of Power - Summer Peak	(per kWh)	\$0.0605
Cost of Power - Summer Off Peak	(per kWh)	\$0.0317

**LARGE USE**

Monthly Service Charge	(per month)	\$8,613.66
Distribution Volumetric Rate	(per kW)	\$0.8249
Cost of Power - Winter Peak	(per kW)	\$11.3270
Cost of Power - Summer Peak	(per kW)	\$8.5690
Cost of Power - Winter Peak	(per kWh)	\$0.0689
Cost of Power - Winter Off Peak	(per kWh)	\$0.0412
Cost of Power - Summer Peak	(per kWh)	\$0.0582
Cost of Power - Summer Off Peak	(per kWh)	\$0.0306

**SENTINEL LIGHTS (Time of Use)**

Monthly Service Charge	(per connection)	\$0.19
Distribution Volumetric Rate	(per kW)	\$0.5961
Cost of Power - Winter	(per kW)	\$35.7889
Cost of Power - Summer	(per kW)	\$13.3415

**STREET LIGHTING (Time of Use)**

Monthly Service Charge	(per connection)	\$0.03
Distribution Volumetric Rate	(per kW)	\$0.1186
Cost of Power - Winter	(per kW)	\$35.7718
Cost of Power - Summer	(per kW)	\$13.3392

**Veridian Connections Inc. - Port Hope**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0076  
 EB-2002-0085

**SPECIFIC SERVICE CHARGES**

New Account Setup	\$	8.80
Arrear's Certificate	\$	8.35
Late Payment Charge (per month)		1.50%
(per annum)		19.56%
Returned Cheque	\$	9.00
Collection of Account Charge	\$	9.00
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours	\$	20.00
At Meter - After Hours	\$	50.00
Low Voltage Service Connection (for General service Customers - per connection)	\$	100.00
Transformer Ownership Allowance (per kw)	\$	0.60









Ontario Energy  
Board  
P.O. Box 2319  
25th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416-481-1967  
Facsimile: 416-440-7656  
Toll free: 1-888-632-6273

Commission de l'Énergie  
de l'Ontario  
C.P. 2319  
26e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416-481-1967  
Télécopieur: 416-440-7656  
Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

March 8, 2002

John Wiersma  
General Manager  
Veridian Connections Inc.  
55 Taunton Road East  
Ajax, ON  
L1T 3V3

Dear Mr. Wiersma:

**Re: Veridian Connections Inc. - Brock Hydro**  
**March 2002 LDC Rate Adjustments**  
**Board File No. RP-2002-0099/EB-2002-0108**

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,



Peter H. O'Dell  
Assistant Board Secretary

Encl.

*Copied: JN  
Rd  
Gd  
DC Mar 11/02*

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0099  
EB-2002-0108

**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  
Veridian Connections Inc. - Brock Hydro 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.

Veridian Connections Inc. - Brock Hydro ("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 filed a revised application ("the Revised Application") dated February 27, 2002. The Revised Application included changes in the calculation of Payments in Lieu of Taxes (PILs) for both 2001 and 2002, as well as minor changes in the rate schedule.

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 not named in any 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), \$41,636.23.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$19,860.62.
- the 2002 Payments in Lieu of Taxes (PILs), \$41,549.42.

- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, \$5,568.54.

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 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 8, 2002.

ONTARIO ENERGY BOARD

  
\_\_\_\_\_  
Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0099  
EB-2002-0108

March 8, 2002

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read 'P. O'Dell', is written over a horizontal line.

Peter H. O'Dell  
Assistant Board Secretary

**Veridian Connections Inc. - Brock**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0099

EB-2002-0108

**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)	\$12.99
Distribution Volumetric Rate	(per kWh)	\$0.0092
Cost of Power Rate	(per kWh)	\$0.0770

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$12.01
Distribution Volumetric Rate	(per kWh)	\$0.0164
Cost of Power Rate	(per kWh)	\$0.0759

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$127.91
Distribution Volumetric Rate	(per kW)	\$3.4122
Cost of Power Demand Rate	(per kW)	\$6.5435
Cost of Power Energy Rate	(per kWh)	\$0.0532

**SENTINEL LIGHTS (Time of Use)**

Monthly Service Charge	(per connection)	\$1.41
Distribution Volumetric Rate	(per kW)	\$3.7795
Cost of Power - Winter	(per kW)	\$26.2429
Cost of Power - Summer	(per kW)	\$10.0889

**STREET LIGHTING (Time of Use)**

Monthly Service Charge	(per connection)	\$0.06
Distribution Volumetric Rate	(per kW)	\$0.1773
Cost of Power - Winter	(per kW)	\$34.3172
Cost of Power - Summer	(per kW)	\$12.8434

**Veridian Connections Inc. - Brock**  
**Schedule of Rates and Charges**  
Effective March 1, 2002

RP-2002-0099  
EB-2002-0108

**SPECIFIC SERVICE CHARGES**

New Account Setup

\$ 8.80

Arrear's Certificate

\$ 10.00

Late Payment Charge

(per month)

1.50%

(per annum)

19.56%

Returned Cheque

\$ 8.00

Collection of Account Charge

\$ 8.80

Disconnect/Reconnect Charges (non payment of account)

At Meter - During Regular Hours

\$ 17.60

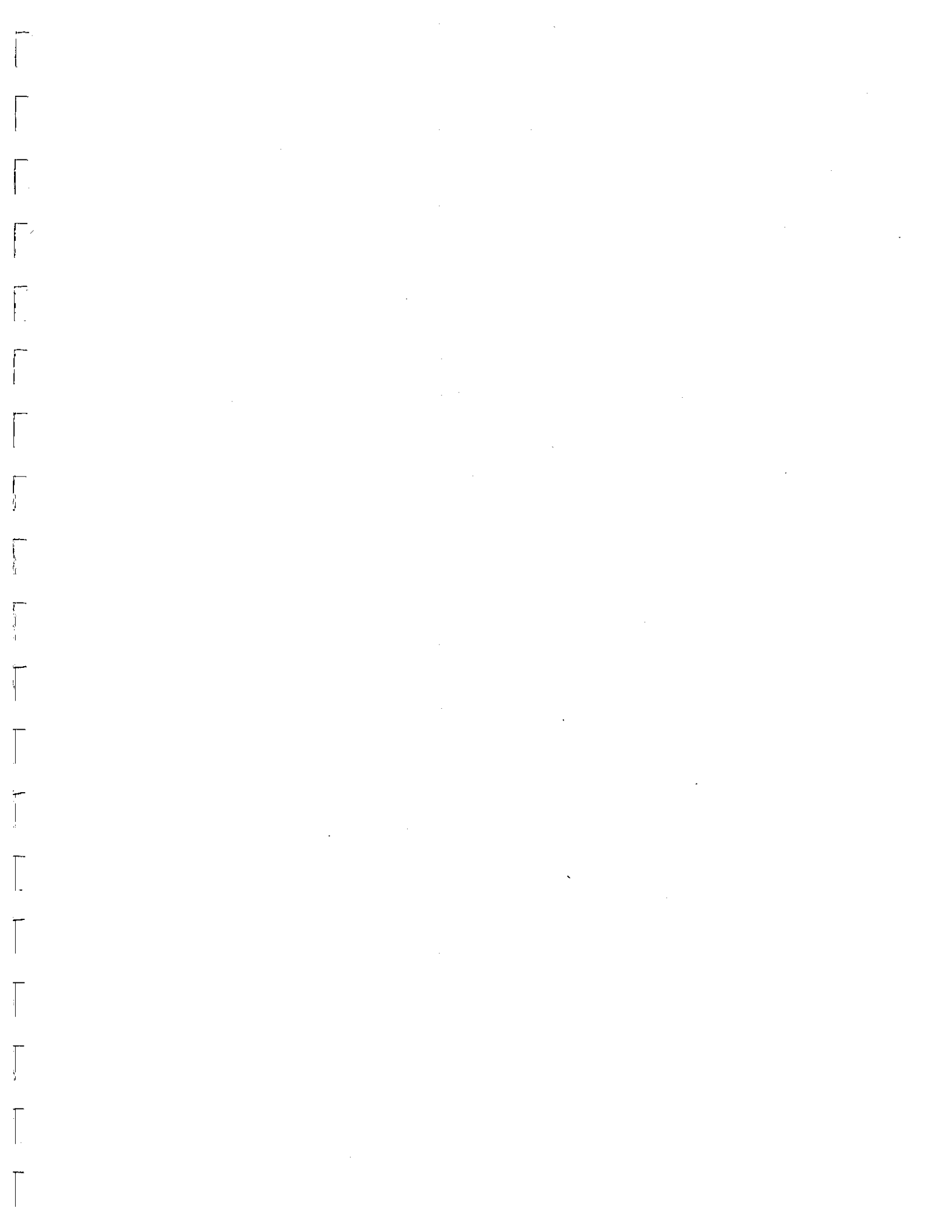
At Meter - After Hours

\$ -

Transformer Ownership Allowance (per kw)

\$ 0.60





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Ontario Energy  
Board  
P.O. Box 2319  
26th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416-481-1967  
Facsimile: 416-440-7656  
Toll free: 1-888-632-6273

Commission de l'Énergie  
de l'Ontario  
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2300, rue Yonge  
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Téléphone: 416-481-1967  
Télécopieur: 416-440-7656  
Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

December 20, 2001

Mr. George McEachern  
General Manager  
Gravenhurst Hydro Electric Inc.  
P.O. Box 250  
Gravenhurst, Ontario  
P1P 1T6

Dear Mr. McEachern:

**Re: Gravenhurst Hydro Electric Inc.- Rates Application**  
**Board File No. RP-2001-0005EB-2001-0030**

The Board has today issued its Interim Decision with Reasons and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

  
Peter H. O'Dell  
Assistant Board Secretary

Encl.

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2001-0005  
EB-2001-0030

**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 Gravenhurst Hydro Electric Inc. 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

#### **INTERIM DECISION WITH REASONS AND ORDER**

In its Application dated January 30, 2001, Gravenhurst Hydro Electric Inc. ("the Applicant") sets out its proposals for unbundling and for incorporating a revenue requirement for distribution of electricity.

Under the direction of the Board, the Applicant published a Notice of Application and Notice of Written Hearing. There were no interventions.

The Applicant elected to use the maximum allowable Target Rate of Return on Common Equity of 9.88%. The first year incremental revenue is \$177,091, which is one third of the amount required to achieve the Target Rate of Return on Common Equity, exclusive of Payment in Lieu of Taxes ("PILS").

Copies of the Application, including the evidence filed in this proceeding, are available for review at the Board's offices.

### **Board Findings**

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.

The Applicant did not propose to change the 5% late payment charge as part of this application. The Board directs the Applicant to revise this charge, in accordance with the current section 9.3.3 of the Rate Handbook, at the time it files its application for implementing new rates for March 1, 2002.

The Board notes that the Applicant will continue to receive Boundary Assistance pursuant to Regulation 315/99. The Board is unclear from the Applicant's evidence as to the proposed ratemaking associated with such financial assistance for the base year and for years following. The Board also notes that the Applicant proposed certain normalization in financial data for the 1999 base year. While the Board finds it expedient to accept for now the Applicant's proposed rates, the Board will schedule an oral hearing to further examine the reasonableness of the Applicant's proposals in the above matters, as well as any other matters that may arise from the Board's other rate setting activities.

The Applicant requested that its new rates be implemented January 1, 2002. The Applicant proposed to recover the foregone revenue from April 1, 2001 to the date of implementation through a rate rider, the details of which would be provided at the time of filing for March 1, 2002 rates.

**THE BOARD ORDERS THAT:**

1. The unbundled rates set out in Appendix "A" of this Order are hereby approved as interim rates with an implementation date of January 1, 2002.

DATED at Toronto, December 20, 2001.

ONTARIO ENERGY BOARD



---

Peter H. O'Dell  
Assistant Board Secretary

## Appendix "A"

RP-2001-0005  
EB-2001-0030

December 20, 2001

ONTARIO ENERGY BOARD

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Peter H. O'Dell  
Assistant Board Secretary

**Gravenhurst Hydro Electric Inc.**  
**Schedule of Rates**  
**January 1, 2002**

RP-2001-0005

EB-2001-0030

**Time Periods for Time of Use Rates (Local Time)**

Winter: all hours October 1 through March 31  
 Summer: all hours April 1 through September 30  
 On-Peak: 07:00 to 23:00 hours Monday to Friday inclusive, except for  
 public holidays, including New Year's Day, Good Friday,  
 Victoria Day, Canada Day, Civic Holiday (as in Toronto),  
 Labour Day, Thanksgiving Day, Christmas & Boxing Days.  
 Off-Peak: all other hours.

**Residential Urban**

Monthly Service Charge	(per month)	\$ 8.68
Distribution Volumetric Charge	(per kWh)	\$ 0.0145
Cost of Power	(per kWh)	\$ 0.0748

**Residential Suburban**

Monthly Service Charge	(per month)	\$12.40
Distribution Volumetric Charge	(per kWh)	\$ 0.0149
Cost of Power	(per kWh)	\$ 0.0761

**Residential Suburban Seasonal**

Monthly Service Charge	(per month)	\$22.92
Distribution Volumetric Charge	(per kWh)	\$ 0.0229
Cost of Power	(per kWh)	\$ 0.0761

**General Service Non-TOU Urban (Less than 50 kW)**

Monthly Service Charge	(per month)	\$ 9.56
Distribution Volumetric Charge	(per kWh)	\$ 0.0145
Cost of Power	(per kWh)	\$ 0.0737

**General Service Non-TOU Suburban (Less than 50 kW)**

Monthly Service Charge	(per month)	\$10.48
Distribution Volumetric Charge	(per kWh)	\$ 0.0159
Cost of Power	(per kWh)	\$ 0.0750

**General Service Non-TOU Urban (Greater than 50 kW)**

Monthly Service Charge	(per month)	\$22.03
Distribution Volumetric Charge	(per kW)	\$ 4.06
Cost of Power	(per kWh)	\$ 0.0655
Cost of Power	(per kW)	\$ 1.89



**Gravenhurst Hydro Electric Inc.**  
**Schedule of Rates**  
**January 1, 2002**

RP-2001-0005  
 EB-2001-0030

**General Service Non-Time of Use Suburban (Greater than 50 kW)**

Monthly Service Charge	(per month)	\$22.01
Distribution Volumetric Charge	(per kW)	\$ 4.05
Cost of Power	(per kWh)	\$ 0.0664
Cost of Power	(per kW)	\$ 1.92

**Sentinel Lighting Non-Time of Use**

Monthly Service Charge	(per connection)	\$ 0.63
Distribution Volumetric Charge	(per kW)	\$ 0.38
Cost of Power	(per kW)	\$22.96

**Street Lighting Time of Use**

Monthly Service Charge	(per connection)	\$ 0.39
Distribution Volumetric Charge	(per kW)	\$ 0.07
Cost of Power TOU -Winter	(per kW)	\$33.37
Cost of Power TOU-Summer	(per kW)	\$12.54

**Un-metered, Scattered Load (Excluding Street Lights)**

All non-metered loads including billboards, traffic signals, bus kiosks, cable power supplies, and pay telephone booths are to be billed on an individual location basis under General Service < 50 kW rate. Usage is to be measured using kilowatts as estimated or determined by portable meters and kilowatt hours as determined by the number of hours per day of operation.

**Specific Service Charges**

Late payment rate (per month)	5%
Returned cheque charge (actual bank charges plus)	\$ 9.00
Collection of account charge	\$ 9.00
Reconnection during regular working hours	\$ 20.00
Reconnection after regular working hours	\$ 50.00
Account set up charge	\$ 10.00
Arrears certificate charge	\$ 15.00
Install/Remove Temporary Service	\$250.00
Transformer Ownership Allowance (for connections prior to Jan 1, 2001)	\$ 0.60 / kW

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GRAVENHURST HYDRO

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P. 02

P. A. TRICT

Ontario Energy  
Board  
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2300 Yonge Street  
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de l'Ontario  
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26e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
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Télécopieur: 416-440-7658  
Numéro sans frais: 1-888-632-6273



2002 July 31

George McEachern  
General Manager - Secretary-Treas.  
Gravenhurst Hydro Electric Inc.  
Box 250  
Gravenhurst, ON  
P1P 1T6

Dear Mr. McEachern:

Re: **Gravenhurst Hydro Electric Inc.**  
**Market Adjusted Rate of Return (MARR) Application**  
**Board File No. RP-2002-0060/EB-2002-0069**

The Board has today issued its Interim Decision With Reasons and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

Peter H. O'Dell  
Assistant Board Secretary

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0060  
EB-2002-0069

**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 Gravenhurst Hydro Electric Inc. for an order or orders approving or fixing just and reasonable rates.

**BEFORE:** Paul Vlahos  
Vice Chair and Presiding Member

George Dominy  
Member

**INTERIM DECISION WITH REASONS 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.

Gravenhurst Hydro Electric Inc. ("the Applicant") filed an Application ("the Application"), dated April 12, 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 Board published a generic Notice in newspapers across Ontario informing ratepayers of the distribution rate adjustments to be effective March 1, 2002 and

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P. 04

Ontario Energy Board

-2-

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 not named in any 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.

Ontario Energy Board

-3-

- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), \$177,091.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$61,407.
- the 2002 Payments in Lieu of Taxes (PILs), \$304,805.
- a Z-Factor recovery of \$132,818, in lieu of a rate rider, representing the lost revenue due to the delay in the implementation of the first year unbundled rates and the 1/3 incremental MARR for the period of April 1, 2001 to December 31, 2001, as per Interim Decision with Reasons and Order (RP-2001-0005 / EB-2001-0030),
- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, \$31,962.

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.

Ontario Energy Board

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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

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Ontario Energy Board

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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 notes that, on June 17, 2002, the Applicant filed a depreciation schedule in response to Board Staff interrogatories with the expectation that the Board would recalculate the PILs for 2001 and 2002 using the revised depreciation amounts of \$144,844 for 2001 and \$604,539 for 2002. Based on these revised depreciation amounts, the Board calculates the 2001 deferred PILs as \$63,992 and the 2002 PILs as \$328,177 (instead of \$61,407 and \$304,805 respectively, proposed by the Applicant).

The Applicant requested that its new rates be effective March 1, 2002 and to establish a deferral account for the recovery of the lost revenue for the period of March 1, 2002 to the implementation date and that it will apply for a rate rider for the recovery of the lost revenue in a subsequent application. The Board notes that it received Gravenhurst Hydro Electric Inc.'s Application, dated April 12, 2002, on April 17, 2002, almost three months later than January 25, 2002, the deadline set out in Board's December 21, 2001 filing guidelines to all electricity distribution utilities for the March 1, 2002 distribution rate adjustments. The Board determines that June 1, 2002 is a reasonable effective date for the Applicant's new rates. Consequently, the deferral account shall record revenue loss from June 1, 2002 to July 31, 2002.

The Board recognizes that, due to the delayed implementation of the distribution rate adjustment, the Z-Factor amount of \$132,818 will not be fully recovered. Therefore, the Board prorates the Z-Factor amount to reflect recovery over the

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Ontario Energy Board

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seven month period of August 1, 2002 (implementation date for the distribution rate adjustment) to February 28, 2003.

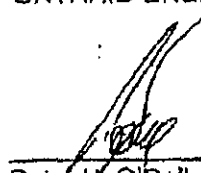
Subject to these adjustments, the Board finds that the Applicant's proposals conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable. The Board notes that the Applicant's current distribution rates are interim as per Interim Decision with Reasons and Order (RP-2001-0005 / EB-2001-0030) and that the Board will schedule an oral hearing to examine the reasonableness of the Applicant's proposals with respect to Boundary Assistance pursuant to Regulation 315/99 and normalization in financial data for the 1999 base year. Therefore, the Board determines that the distribution rates for this application (RP-2002-0060 / EB-2002-0069) shall also be interim.

**THE BOARD ORDERS THAT:**

- 1) The rates set out in Appendix "A" of this Order are approved on an interim basis effective June 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, July 31, 2002.

ONTARIO ENERGY BOARD

  
Peter H. O'Dell  
Assistant Board Secretary



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Appendix "A"

RP-2002-0060  
EB-2002-0069

July 31, 2002

ONTARIO ENERGY BOARD



Peter H. O'Dell  
Assistant Board Secretary

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P. 9

**Gravenhurst Hydro Electric Inc.**  
**Interim Schedule of Rates and Charges**  
 Effective June 1, 2002

RP-2002-0060  
 EB-2002-0069

**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.

**RESIDENTIAL URBAN SERVICE**

Monthly Service Charge	(per month)	\$12.17
Distribution Volumetric Rate	(per kWh)	\$0.0203

**RESIDENTIAL SUBURBAN SERVICE**

Monthly Service Charge	(per month)	\$17.36
Distribution Volumetric Rate	(per kWh)	\$0.0209

**RESIDENTIAL SUBURBAN SEASONAL SERVICE**

Monthly Service Charge	(per month)	\$31.94
Distribution Volumetric Rate	(per kWh)	\$0.0320

**GENERAL SERVICE < 50 KW URBAN SERVICE**

Monthly Service Charge	(per month)	\$13.72
Distribution Volumetric Rate	(per kWh)	\$0.0207

**GENERAL SERVICE < 50 KW SUBURBAN SERVICE**

Monthly Service Charge	(per month)	\$13.69
Distribution Volumetric Rate	(per kWh)	\$0.0219

**GENERAL SERVICE > 50 KW URBAN SERVICE (Non Time of Use)**

Monthly Service Charge	(per month)	\$30.94
Distribution Volumetric Rate	(per kW)	\$5.5109

Gravenhurst Hydro Electric Inc.  
Interim Schedule of Rates and Charges - Page 2  
Effective June 1, 2002

AP-2002-0060  
EB-2002-0069

**GENERAL SERVICE > 50 KW SUBURBAN SERVICE (Non Time of Use)**

Monthly Service Charge	(per month)	\$29.22
Distribution Volumetric Rate	(per kW)	\$5.8451

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per month)	\$0.90
Distribution Volumetric Rate	(per kW)	\$0.5560

**STREET LIGHTING (Time of Use)**

Monthly Service Charge	(per month)	\$0.54
Distribution Volumetric Rate	(per kW)	\$0.0990

**UN-METERED SCATTERED LOADS (EXCLUDING STREET LIGHTS)**

All non-metered loads including billboards, traffic signals, bus kiosks, cable power supplies and pay telephone booths are to be billed on an individual location basis under the General Service less than 50 kilowatt rates.

Usage to be measured using kilowatts as estimated or determined by portable meters and kilowatt hours as determined by the number of hours per day of operation.

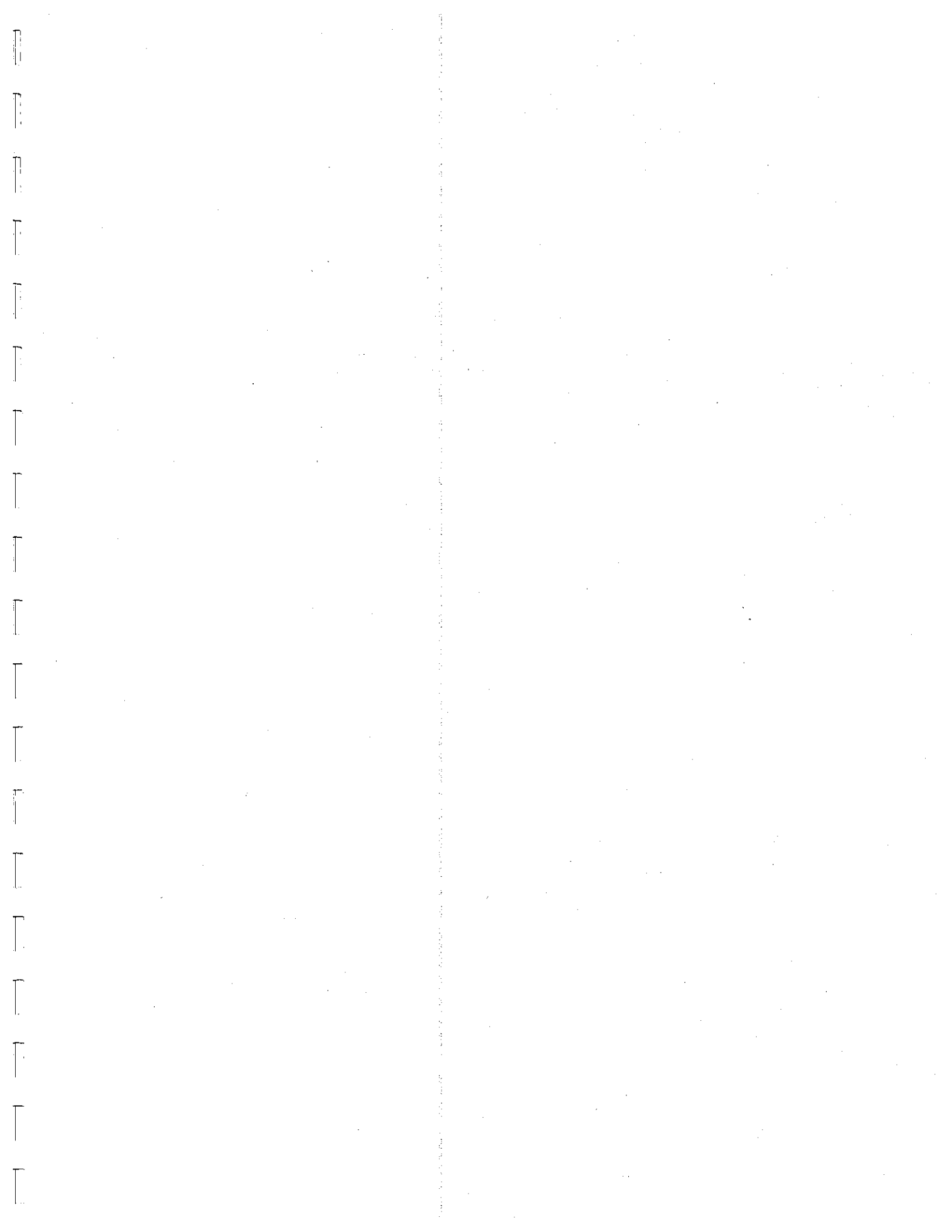
**TRANSFORMER OWNERSHIP ALLOWANCE**

Transformer Ownership Allowance (for connections prior to January 1, 2001)	(per kW)	\$0.60
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**SPECIFIC SERVICE CHARGES**

Customer Administration:		
Account Set-Up Charge		\$10.00
Arrear's Certificate Charge		\$15.00
Non Payment of Account:		
Late Penalty (Overdue Account)	(per month)	1.50%
Account Interest Charge) on unpaid balance	(per annum)	19.56%
Returned Cheque - Actual Bank Charges plus		\$9.00
Collection of Account Charge		\$9.00
Disconnect/Reconnect Charges (non payment of account)		
During Regular Hours		\$20.00
During After Hours		\$50.00
Install / Remove Temporary Service		\$250.00







Ontario Energy  
Board  
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Facsimile: 416- 440-7656  
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Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



**BY PRIORITY POST**

March 8, 2002

John Wiersma  
General Manager  
Veridian Connections Inc.  
55 Taunton Road East  
Ajax, ON  
L1T 3V3

Dear Mr. Wiersma:

**Re: Veridian Connections Inc.**  
**March 2002 LDC Rate Adjustments**  
**Board File No. RP-2002-0075/EB-2002-0084**

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

  
Peter H. O'Dell  
Assistant Board Secretary

Encl.

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RL  
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LS*

*Maced 11/02*

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0075  
EB-2002-0084

**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  
Veridian Connections Inc. - Veridian Connections 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.

Veridian Connections Inc. - Veridian Connections ("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 filed a revised application ("the Revised Application") dated February 27, 2002. The Revised Application included changes in the calculation of Payments in Lieu of Taxes (PILs) for both 2001 and 2002, as well as minor changes in the rate schedule.

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. Two template submissions specifically named the Applicant.

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), \$2,609,976.11.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$1,033,872.44.
- the 2002 Payments in Lieu of Taxes (PILs), \$3,127,146.04.

- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, \$397,804.26.

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.

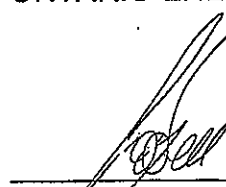
The Board finds that the Applicant's proposals in the Revised Application, conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

**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 8, 2002.

ONTARIO ENERGY BOARD



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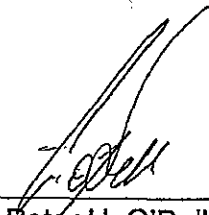
Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0075  
EB-2002-0084

March 8, 2002

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read "P. O'Dell", is written over a horizontal line.

Peter H. O'Dell  
Assistant Board Secretary

**Veridian Connections Inc. - Veridian Connections**  
**Schedule of Rates and Charges**  
Effective March 1, 2002

RP-2002-0075

EB-2002-0084

**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)	\$11.58
Distribution Volumetric Rate	(per kWh)	\$0.0112
Cost of Power Rate	(per kWh)	\$0.0751

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$14.00
Distribution Volumetric Rate	(per kWh)	\$0.0173
Cost of Power Rate	(per kWh)	\$0.0740

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$168.92
Distribution Volumetric Rate	(per kW)	\$3.3984
Cost of Power Demand Rate	(per kW)	\$7.3479
Cost of Power Energy Rate	(per kWh)	\$0.0522

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$2.98
Distribution Volumetric Rate	(per kW)	\$15.0101
Cost of Power Demand Rate	(per kW)	\$21.4668

**STREET LIGHTING (Non Time of Use)**

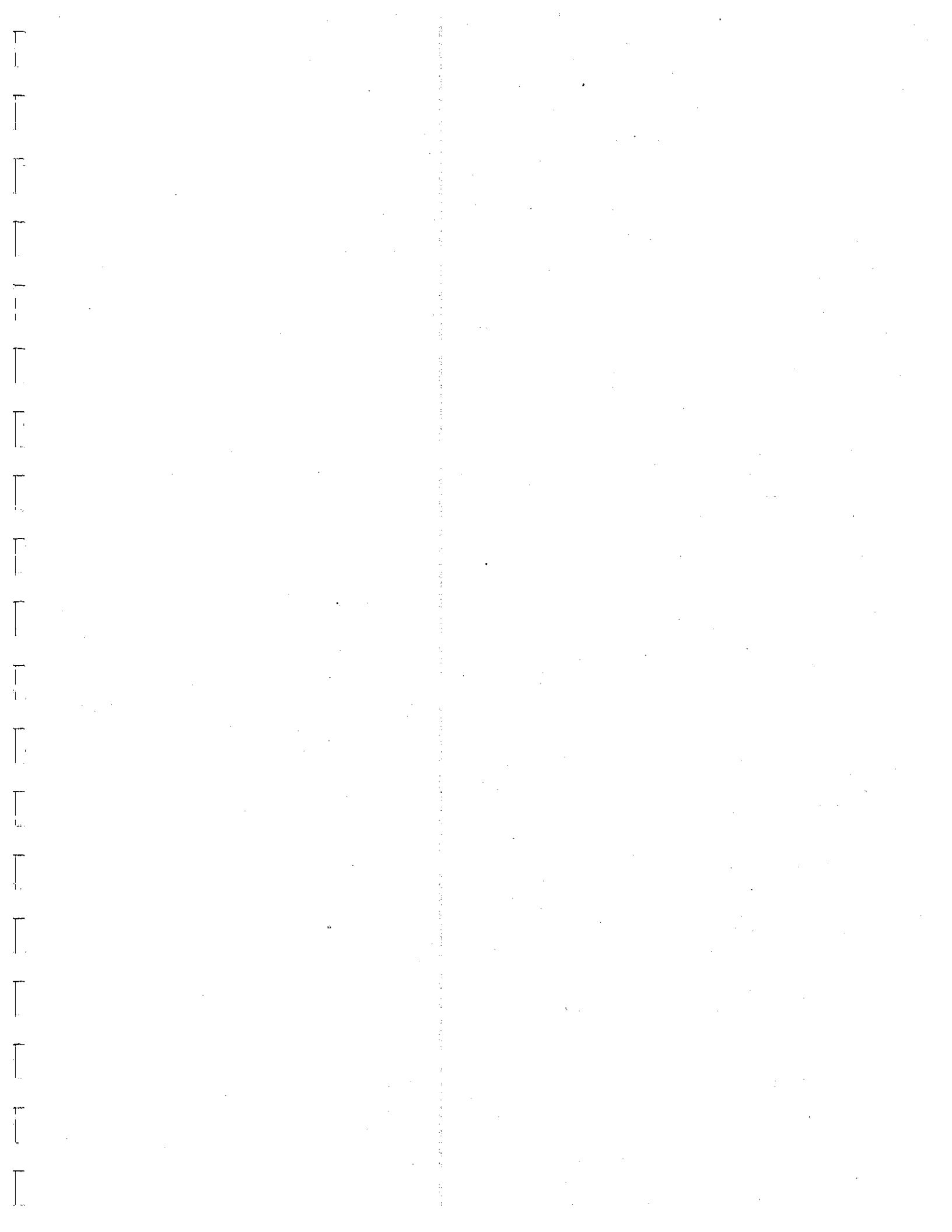
Monthly Service Charge	(per connection)	\$0.81
Distribution Volumetric Rate	(per kW)	\$3.0316
Cost of Power Demand Rate	(per kW)	\$22.9975

**Veridian Connections Inc. - Veridian Connections**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0075  
 EB-2002-0084

**SPECIFIC SERVICE CHARGES**

New Account Setup	\$ 9.10
Arrear's Certificate	\$ 10.70
Late Payment Charge (per month)	1.50%
(per annum)	19.56%
Returned Cheque	\$ 8.80
Collection of Account Charge	\$ 8.90
Disconnect/Reconnect Charges (non payment of account)	
At Meter - During Regular Hours	\$ 18.90
At Meter - After Hours	\$ 33.90
Dispute Involvement Charge	\$ 7.70
Transformer Allowance for Customer-owned Stepdown facilities -Service at less than 115kv (per kw)	\$ 0.60
Low Voltage Service connections (per connection)	\$ 121.50
Sale of #2 triplex overhead service conductor (per metre)	\$ 2.10
Sale of 1/0 triplex overhead service conductor (per metre)	\$ 3.04
Sale of 2/0, 600 volt underground service cable (per metre)	\$ 7.00
Sale of 250 MCM, 600 volt underground service cable (per metre)	\$ 14.00
Low voltage temporary service connection & removal (per service)	\$ 420.56
Temporary pole mount transformer installation & removal (per transformer)	\$ 1,658.88







Ontario Energy  
Board  
P.O. Box 2319  
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2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416- 481-1967  
Facsimile: 416- 440-7656  
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Commission de l'Énergie  
de l'Ontario  
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2300, rue Yonge  
Toronto ON M4P 1E4  
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Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



**BY PRIORITY POST**

March 8, 2002

John Wiersma  
General Manager  
Veridian Connections Inc.  
55 Taunton Road East  
Ajax, ON  
L1T 3V3

Dear Mr. Wiersma:

**Re: Veridian Connections Inc. - Belleville  
March 2002 LDC Rate Adjustments  
Board File No. RP-2002-0074/EB-2002-0083**

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

Peter H. O'Dell  
Assistant Board Secretary

Encl.

*Copied:*  
JN  
H.S.  
DC  
RS  
Mar. 11/02.

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2002-0074

EB-2002-0083

**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  
Veridian Connections Inc. - Belleville 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.

Veridian Connections Inc. - Belleville ("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 filed a revised application ("the Revised Application") dated February 27, 2002. The Revised Application included changes in the calculation of Payments in Lieu of Taxes (PILs) for both 2001 and 2002, as well as minor changes in the rate schedule.

The Board published a generic Notice in newspapers across Ontario informing ratepayers of the distribution rate adjustments to be effective March 1, 2002 and

-2-

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. One submission specifically named the Applicant.

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), \$617,373.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$216,214.39.
- the 2002 Payments in Lieu of Taxes (PILs), \$754,714.29.

- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, \$104,952.13.

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 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 8, 2002.

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0074  
EB-2002-0083

March 8, 2002

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read 'P. O'Dell', is written over a horizontal line.

Peter H. O'Dell  
Assistant Board Secretary

**Veridian Connections Inc. - Belleville**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0074  
 EB-2002-0083

**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)	\$8.47
Distribution Volumetric Rate	(per kWh)	\$0.0125
Cost of Power Rate	(per kWh)	\$0.0738

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$19.85
Distribution Volumetric Rate	(per kWh)	\$0.0076
Cost of Power Rate	(per kWh)	\$0.0728

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$53.45
Distribution Volumetric Rate	(per kW)	\$0.2731
Cost of Power Demand Rate	(per kW)	\$8.0788
Cost of Power Energy Rate	(per kWh)	\$0.0513

**LARGE USE**

Monthly Service Charge	(per month)	\$8,071.82
Distribution Volumetric Rate	(per kW)	\$1.4029
Cost of Power - Winter Peak	(per kW)	\$10.8450
Cost of Power - Summer Peak	(per kW)	\$8.1180
Cost of Power - Winter Peak	(per kWh)	\$0.0689
Cost of Power - Winter Off Peak	(per kWh)	\$0.0412
Cost of Power - Summer Peak	(per kWh)	\$0.0582
Cost of Power - Summer Off Peak	(per kWh)	\$0.0306

**Veridian Connections Inc. - Belleville**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0074  
 EB-2002-0083

**SPECIFIC SERVICE CHARGES**

New Account Setup

\$ 11.00

Arrear's Certificate  
 Late Payment Charge

(per month)  
 (per annum)

\$ 12.00  
 1.50%  
 19.56%

Returned Cheque  
 Collection of Account Charge

\$ 9.00  
 \$ 9.00

Disconnect/Reconnect Charges (non payment of account)  
 At Meter - During Regular Hours  
 At Meter - After Hours

\$ 20.00  
 \$ 50.00

Temporary Pole Service-Overhead Installation and Removal

\$ 163.00

Transformation Allowance (per kw)

\$ 0.60