



EB-2009-0266

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 Hearst Power Distribution Company Limited pursuant to section 78 of the *Ontario Energy Act*, 1998, for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2010.

BEFORE: Ken Quesnelle
Presiding Member

Marika Hare
Member

DECISION AND ORDER ON INTERIM RATES

Hearst Power Distribution Company Limited ("Hearst Power") filed a cost of service application with the Ontario Energy Board (the "Board") on April 28, 2010, (amended on May 21, 2010) under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15 (Schedule B), seeking approval for changes to the rates that Hearst Power charges for electricity distribution, to be effective May 1, 2010. The Board assigned the application File No. EB-2009-0266.

In its application, Hearst Power requested that the Board issue an interim Order approving its proposed distribution rates and other charges effective May 1, 2010, which may be subject to adjustments based on the Board's final Decision and Order.

The Board has no basis on which to approve Hearst Power's proposed rates on an interim basis as of May 1, 2010. The setting of a rate, even on an interim basis, results in customers paying amounts derived from those rates. To do so in advance of a determination of the prudence of the underpinning spending associated with the proposed rates would pre-empt the Board's review of Hearst Power's application. This could result in customers being charged unfair and unreasonable amounts while the review is taking place.

However, the Board has determined that Hearst Power's current distribution rates should be declared interim as of May 1, 2010. The Board will render its decision on Hearst Power's proposed new rates at a later date. At that time, it will determine if those new rates should be effective as at May 1, 2010, or as at a later date. By granting rates interim as of May 1, 2010, the Board has retained the discretion to make the final rates effective as of that date, but not the requirement to do so.

THE BOARD ORDERS THAT:

1. Hearst Power's current Tariff of Rates and Charges shall be made interim May 1, 2010.

DATED at Toronto, June 24, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary