



**EB-2010-0103**

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

**AND IN THE MATTER OF** an application Northern Ontario Wires Inc. for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2011.

**BEFORE:** Karen Taylor  
Presiding Member

Paula Conboy  
Member

## **DECISION AND ORDER**

### **Introduction**

Northern Ontario Wires Inc. ("Northern Ontario Wires"), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the "Board") on November 19, 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 Northern Ontario Wires charges for electricity distribution, to be effective May 1, 2011.

Northern Ontario Wires is one of 80 electricity distributors in Ontario regulated by the Board. In 2008, the Board announced the establishment of a new multi-year electricity distribution rate-setting plan, the 3<sup>rd</sup> Generation Incentive Rate Mechanism ("IRM") process, which would be used to adjust electricity distribution rates starting in 2009 for those distributors whose 2008 rates were rebased through a cost of service review. As part of the plan, Northern Ontario Wires is one of the electricity distributors that will have

its rates adjusted for 2011 on the basis of the IRM process, which provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

To streamline the process for the approval of distribution rates and charges for distributors, the Board issued its *Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* on July 14, 2008, its *Supplemental Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008, and its *Addendum to the Supplemental Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* on January 28, 2009 (together the "Reports"). Among other things, the Reports contained the relevant guidelines for 2011 rate adjustments for distributors applying for distribution rate adjustments pursuant to the IRM process. On July 9, 2010 the Board issued an update to Chapter 3 of the Board's *Filing Requirements for Transmission and Distribution Applications* (the "Filing Requirements"), which outlines the Filing Requirements for IRM applications based on the policies in the Reports.

Notice of Northern Ontario Wires' rate application was given through newspaper publication in Northern Ontario Wires' service area advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. No letters of comment were received and there were no requests for intervention. Board staff participated in the proceeding. The Board proceeded by way of a written hearing.

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

- Price Cap Index Adjustment;
- Changes in the Federal and Provincial Income Tax Rates;
- Smart Meter Funding Adder;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Accounts;
- Request for Specific Service Charges; and
- Late Payment Penalty Litigation Costs.

## Price Cap Index Adjustment

Northern Ontario Wires' rate application was filed on the basis of the Filing Requirements. In fixing new distribution rates and charges for Northern Ontario Wires, the Board has applied the policies described in the Filing Requirements and the Reports.

As outlined in the Reports, distribution rates under the 3<sup>rd</sup> Generation IRM are to be adjusted by a price escalator less a productivity factor (X-factor) of 0.72% and Northern Ontario Wires' utility specific stretch factor of 0.2%. Based on the final 2010 data published by Statistics Canada, the Board has established the price escalator to be 1.3%. The resulting price cap index adjustment is therefore 0.38%. The rate model reflects this price cap index adjustment. The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes.

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

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

## Changes in the Federal and Provincial Income Tax Rates

In its *Supplemental Report of the Board on 3<sup>rd</sup> Generation Incentive Regulation for Ontario's Electricity Distributors* dated September 17, 2008, the Board determined that a 50/50 sharing of the impact of currently known legislated changes, as applied to the tax level reflected in the Board-approved base rates for a distributor, is appropriate for the

3<sup>rd</sup> Generation IRM applications. This was based on a decision of the Board in a proceeding in relation to natural gas distributors' (EB-2007-0606/615) incentive regulation applications in which tax as a Z-factor was being considered. In that decision, the Board found that a 50/50 sharing is appropriate because it recognizes that tax changes already flow to some extent through the inflation factor, though the precise timing and quantum of the tax reduction during a current IRM period is not known.

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

In 2011, the maximum income tax rate is 28.25%, the minimum rate for those distributors eligible for both the federal and Ontario small business deduction is 15.50%, and the blended tax rate varies for certain distributors that are only eligible for the Ontario small business deduction. The model provided to distributors calculates the amount of change caused by the tax rate reductions and adjusts distribution rates by 50% of the total change from those taxes included in the most recent cost of service base distribution rates.

The Board finds that a 50/50 sharing of changes from the tax level reflected in the Board-approved base rates to the currently known legislated tax level for 2011 is appropriate. Using the Board's rate model, Northern Ontario Wires' tax sharing amount is a refund of \$1,441. The Board notes that this amount is not material and orders Northern Ontario Wires to record the tax sharing refund amount of \$1,441 in variance account 1595 by June 30, 2011.

### **Smart Meter Funding Adder**

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

Northern Ontario Wires requested to change its smart meter funding adder ("SMFA") from \$1.00 to \$5.00 per metered customer per month. Northern Ontario Wires indicated

that while the filing module calculated a SMFA of \$7.86 per metered customer per month, Northern Ontario Wires was concerned about the impact of such a SMFA on its customers and therefore proposed a reduced SMFA of \$5.00 per metered customer per month.

In its submission, Board staff noted that the total bill impact attributable to this proposed change alone (keeping all other proposals in the 2011 IRM3 Rate Generator Model as filed) is 4% for the Residential class. Board staff noted that the Board may wish to consider whether an impact of greater than 2% is appropriate given that the SMFA is only a temporary funding tool intended to bridge the gap leading up to the next rebasing application or standalone application which will involve a prudence review of smart meter costs. Board staff also noted as an alternative, that a SMFA of \$3.00 per metered customer per month would yield a total bill impact of 2% for the Residential class. Board staff however further noted that the proposed \$5 per metered customer per month is already a significant reduction from the number calculated by Northern Ontario Wires using the filing module. Board staff invited Northern Ontario Wires to identify in its reply submission the implications were the Board to approve of a lower SMFA than applied for.

In its reply submission, Northern Ontario Wires indicated that while it understands that a lower SMFA would minimize the impact on customers now, it basically delays the need to recover the full costs of smart meters over a reasonable time period.

The Board notes that the SMFA is a tool designed to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board (G-2008-0002). The Board also observes that the SMFA was not intended to be compensatory (return on and of capital) on a cumulative basis over the term the SMFA was in effect. The SMFA was initially designed to fund future investment, not fully fund prior capital investment. In the Board's view, the funding of prior capital investment would increase the risk, absent a prudence review, of over recovery. The Board is not saying that prudently incurred costs are not recoverable; it is stating that a determination of full recovery will be made as part of an application for a prudence review. The Board is also concerned about the rate impact associated with the level of the proposed increase in the SMFA. Since the deployment of smart meters on a province-wide basis is now nearing completion, and for the reasons noted earlier, the Board expects distributors to file for a final prudence review at the earliest possible opportunity following the availability of audited costs. For those distributors that are

scheduled to file a cost-of-service application for 2012 distribution rates, the Board expects that they will apply for the disposition of smart meter costs and subsequent inclusion in rate base. For those distributors that are scheduled to remain on IRM, the Board expects these distributors to file an application with the Board seeking final approval for smart meter related costs. In the interim, the Board will approve a SMFA of \$2.50 per metered customer per month from May 1, 2011 to April 30, 2012. This SMFA adder will be reflected in the Tariff of Rates and Charges, and will cease on April 30, 2012. Northern Ontario Wires' variance accounts for smart meter program implementation costs, previously authorized by the Board, shall be continued.

The Board has not made any finding on the prudence of the proposed smart meter activities, including any costs for smart meters or advanced metering infrastructure whose functionality exceeds the minimum functionality adopted in O. Reg. 425/06, or costs associated with functions for which the Smart Metering Entity has the exclusive authority to carry out pursuant to O. Reg. 393/07. Such costs will be considered at the time that Northern Ontario Wires applies for the recovery of these costs on a final basis, if applicable.

### **Retail Transmission Service Rates**

Electricity distributors are charged the Ontario Uniform Transmission Rates ("UTRs") at the wholesale level and subsequently pass these charges on to their distribution customers through the Retail Transmission Service Rates ("RTSRs"). Variance accounts are used to capture timing differences and differences in the rate that a distributor pays for wholesale transmission service compared to the retail rate that the distributor is authorized to charge when billing its customers (i.e., variance accounts 1584 and 1586).

On July 8, 2010 the Board issued revision 2.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the "RTSR Guideline"). The RTSR Guideline outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2011. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new UTR levels and the revenues generated under existing RTSRs. The objective of resetting the rates is to minimize the prospective balances in accounts 1584 and 1586. In order to assist electricity distributors in the calculation of the distributors' specific RTSRs, Board staff provided a filing module. On January 18, 2011 the Board

issued its Rate Order for Hydro One Transmission (EB-2010-0002) which adjusted the UTRs effective January 1, 2011. The new UTRs are shown in the following table:

<b>Table 1 - Uniform Transmission Rates</b>	<b>kW Monthly Rates</b>		<b>Change</b>
	<b>Jan 1, 2010</b>	<b>Jan 1, 2011</b>	
Network Service Rate	\$2.97	\$3.22	+8.4%
<u>Connection Service Rates</u>			
Line Connection Service Rate	\$0.73	\$0.79	
Transformation Connection Service Rate	\$1.71	\$1.77	
			+4.9%

The Board has adjusted each distributor's rate application model to incorporate these changes.

Based on the filing module provided by Board staff and the new UTRs effective January 1, 2011 noted in the table above, the Board approves the changes to the RTSRs calculated in the filing module.

### **Review and Disposition of Group 1 Deferral and Variance Accounts**

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

#### **(i) Balances**

Northern Ontario Wires requested that the Board review and approve the disposition of the December 31, 2009 Group 1 account balances as defined by the EDDVAR Report since the preset disposition threshold of \$0.001 per kWh was exceeded. The combined total of Group 1 account balances is a credit of \$244,246 (credit balances are amounts payable to customers). Northern Ontario Wires included interest on these account balances using the Board's prescribed interest rates to April 30, 2011. Northern Ontario Wires' account balances as at December 31, 2009, plus projected carrying charges to April 30, 2011, are shown below.

**Table 2 – Deferral and Variance Account Balances (2009)**

<b>Account Description</b>	<b>Account Number</b>	<b>Total Claim (\$)</b>
LV Variance Account	1550	(70,250)
RSVA – Wholesale Market Service Charge	1580	(29,071)
RSVA - Retail Transmission Network Charge	1584	(772)
RSVA – Retail Transmission Connection Charge	1586	(274,453)
RSVA – Power (Excluding Global Adjustment)	1588	(57,972)
RSVA – Power (Global Adjustment Sub-account)	1588	188,271
Recovery of Regulatory Asset Balances	1590	0
Residual Balance Disposition and Recovery of Deferral / Variance Balances (2008)	1595	0
<b>Total</b>		<b>(244,246)</b>

In its submission, Board staff noted that the proposed balances for disposition reconcile with Northern Ontario Wires' Reporting and Record-keeping Requirements ("RRR"), and that the balances should be approved for disposition on a final basis.

The Board approves the proposed balances for Group 1 accounts as presented by Northern Ontario Wires. The December 31, 2009 balances and projected interest up to April 30, 2011 are considered final. For accounting purposes, the respective balance in each of the Group 1 accounts shall be transferred to the applicable sub-accounts in account 1595 established by the Board pursuant to the December 23, 2010 Frequently Asked Questions document accompanying the Accounting Procedures Handbook for disposition of balances in 2010, as soon as possible but no later than June 30, 2011 so that the RRR data reported in the second quarter of 2011 reflect these adjustments.

**(ii) Disposition**

The EDDVAR Report includes guidelines on the cost allocation methodology and the rate rider derivation for the disposition of deferral and variance account balances. The Board notes that Northern Ontario Wires followed the guidelines outlined in the EDDVAR Report.

Northern Ontario Wires requested the disposition of its Group 1 account balance over a one year period. Board staff agreed with Northern Ontario Wires' proposal on the basis that this would be in accordance with the EDDVAR Report. The Board accepts the disposition period of one year proposed by Northern Ontario Wires.



***(iii) Global Adjustment Sub-account***

Northern Ontario Wires proposed to dispose of its global adjustment sub-account debit balance of \$188,271 as of December 31, 2009 including the applicable interest to April 30, 2011 by means of a separate rate rider that would prospectively apply to non-RPP customers.

Board staff noted that Northern Ontario Wires did not seek disposition of its Group 1 account balances in its 2010 IRM application since the preset disposition threshold was not exceeded. Therefore, the disposition of the global adjustment sub-account was not an issue in that proceeding. Board staff submitted that Northern Ontario Wires' proposal to dispose of the global adjustment sub-account by means of a separate rate rider that would prospectively apply to non-RPP customers is consistent with previous decisions from the Board in this regard.

The Board approves Northern Ontario Wires' proposal to dispose of its global adjustment sub-account by means of a separate rate rider that would apply only to non-RPP customers and would be included in the delivery component of a customer's bill.

**Request for New Service Charges**

Northern Ontario Wires requested the addition of the following three Customer Administration Service Charges;

1. Statement of Account - \$15
2. Account History - \$15
3. Request for Other Billing Information - \$15.

In response to Board staff interrogatory #4, Northern Ontario Wires stated that the establishment of these charges would allow it to offset administration costs associated with providing customers various account and billing information requested by the customer.

In its submission, Board staff noted that all three of the service charges requested by Northern Ontario Wires are at the standard level included in the Board's 2006 Electricity Distribution Handbook (the "Handbook"). The level and type of charges being requested have therefore been previously approved by the Board.

Board staff submitted, however, that an IRM application is not the appropriate venue to request adjustments or additions to a distributor's service charges. Notwithstanding the fact that the applicant has requested the default values from the Handbook, Board staff submitted that in order for the Board to be in a position to make a determination on the reasonableness of this request, the distributor would need to undergo an examination of its cost and revenue forecasts to ensure that there is no duplication of cost recovery. Board staff concluded that this proposal should be addressed in Northern Ontario Wires next cost of service application, which is scheduled for 2013.

The Board finds that Northern Ontario Wires' request for three new customer administration service charges is not appropriate at this time. The Board notes that an IRM application is not the appropriate forum to consider the addition of new specific service charges. The Board agrees with Board staff that this issue should be considered in the context of the 2013 cost of service application.

### **Late Payment Penalty Litigation Costs**

In this application, Northern Ontario Wires requested the recovery of a one time expense of \$21,401 related to the late payment penalty ("LPP") costs and damages resulting from a court settlement that addressed litigation against many of the former municipal electricity utilities in Ontario.

On October 29, 2010 the Board commenced a generic proceeding on its own motion to determine whether Affected Electricity Distributors<sup>1</sup>, including Northern Ontario Wires, should be allowed to recover from their ratepayers the costs and damages incurred as a result of the Minutes of Settlement approved on April 21, 2010 by the Honourable Mr. Justice Cumming of the Ontario Superior Court of Justice (Court File No. 94-CQ-r0878) and as amended by addenda dated July 7, 2010 and July 8, 2010 in the late payment penalty class action and if so, the form and timing of such recovery. This proceeding was assigned file No. EB-2010-0295.

On February 22, 2011, the Board issued its Decision and Order and determined that it is appropriate for the Affected Electricity Distributors to be eligible to recover the costs and damages associated with the LPP class action in rates. The decision set out a listing of each Affected Electricity Distributor and their share of the class action costs that is approved for recovery. The Board also directed Affected Electricity Distributors such as

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<sup>1</sup> As defined in the Board's Decision and Order EB-2010-0295

Northern Ontario Wires to file with the Board detailed calculations including supporting documentation, outlining the derivation of the rate riders based on the methodology outlined in the EB-2010-0295 Decision and Order. The Board noted that the rate riders submitted would be verified in each Affected Electricity Distributor's IRM or cost of service application, as applicable. Northern Ontario Wires elected to recover the amount approved in the EB-2010-0295 proceeding and accordingly filed the associated rate riders.

The Board has reviewed Northern Ontario Wires' proposed rate riders and approves them as filed.

### **Rate Model**

With this Decision, the Board is providing Northern Ontario Wires with a rate model (spreadsheet) and applicable supporting models and a draft Tariff of Rates and Charges (Appendix A) for each of its service areas that reflect the elements of this Decision. The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2010 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

### **THE BOARD ORDERS THAT:**

1. Northern Ontario Wires' new distribution rates shall be effective May 1, 2011.
2. Northern Ontario Wires shall review the draft Tariff of Rates and Charges set out in Appendix A. Northern Ontario Wires shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariffs of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information, within seven (7) calendar days of the date of this Decision and Order.
3. If the Board does not receive a submission from Northern Ontario Wires to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this order will become final effective May 1, 2011, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2011. Northern Ontario Wires shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

4. If the Board receives a submission from Northern Ontario Wires to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission of Northern Ontario Wires and will issue final Tariffs of Rates and Charges.
5. Northern Ontario Wires shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2010-0103**, be made through the Board's web portal at, [www.errr.ontarioenergyboard.ca](http://www.errr.ontarioenergyboard.ca) and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca). If the web portal is not available parties may email their document to [boardsec@ontarioenergyboard.ca](mailto:boardsec@ontarioenergyboard.ca). Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

**DATED** at Toronto, April 7, 2011

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**Appendix A**  
**To Decision and Order**  
**Draft Tariff of Rates and Charges**  
**Board File No: EB-2010-0103**  
**DATED: April 7, 2011**

# Northern Ontario Wires Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0103

## RESIDENTIAL SERVICE CLASSIFICATION

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

## APPLICATION

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

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

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

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

## MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	17.64
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.22
Distribution Volumetric Rate	\$/kWh	0.0134
Low Voltage Service Rate	\$/kWh	0.0011
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kWh	(0.0012)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kWh	(0.0035)
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0030
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0027

## MONTHLY RATES AND CHARGES – Regulatory Component

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

# Northern Ontario Wires Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0103

## GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

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

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	23.64
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.40
Distribution Volumetric Rate	\$/kWh	0.0133
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kWh	(0.0013)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kWh	(0.0035)
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0030
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0025

### MONTHLY RATES AND CHARGES – Regulatory Component

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

# Northern Ontario Wires Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0103

## GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the utility's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	179.67
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	3.35
Distribution Volumetric Rate	\$/kW	0.6806
Low Voltage Service Rate	\$/kW	0.3342
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kW	(0.5839)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(1.2229)
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	1.0531
Retail Transmission Rate – Network Service Rate	\$/kW	2.1443
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.9700

### MONTHLY RATES AND CHARGES – Regulatory Component

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



# Northern Ontario Wires Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0103

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	12.10
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.16
Distribution Volumetric Rate	\$/kWh	0.0133
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kWh	(0.0011)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kWh	(0.0035)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0025

### MONTHLY RATES AND CHARGES – Regulatory Component

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

# Northern Ontario Wires Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0103

## STREET LIGHTING SERVICE CLASSIFICATION

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

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	5.21
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.04
Distribution Volumetric Rate	\$/kW	6.1444
Low Voltage Service Rate	\$/kW	0.2454
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	\$/kW	(0.2965)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(1.4288)
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	1.2302
Retail Transmission Rate – Network Service Rate	\$/kW	1.6173
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.7499

### MONTHLY RATES AND CHARGES – Regulatory Component

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

**Northern Ontario Wires Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2011**

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

EB-2010-0103

## **microFIT GENERATOR SERVICE CLASSIFICATION**

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

### **APPLICATION**

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

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

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

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

### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	5.25
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# Northern Ontario Wires Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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EB-2010-0103

## ALLOWANCES

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

## SPECIFIC SERVICE CHARGES

### APPLICATION

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

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

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

#### Customer Administration

Arrears Certificate	\$	15.00
Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

#### Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account Charge – no disconnection	\$	30.00
Disconnect/Reconnect at Meter - during Regular Hours	\$	65.00
Disconnect/Reconnect at Meter - after Regular Hours	\$	185.00

Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
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# Northern Ontario Wires Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0103

## RETAIL SERVICE CHARGES (if applicable)

### APPLICATION

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

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

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

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

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

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

### LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0448
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0344
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A