



**EB-2007-0713**

**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 pursuant to section 78 of the Ontario Energy Board  
Act seeking approval to amend electricity distribution rates.

**BEFORE:** Paul Vlahos  
Presiding Member

Bill Rupert  
Member

### **RATE ORDER**

Hydro Ottawa Limited ("Hydro Ottawa" or "the Company") is a licensed distributor of electricity providing service to consumers within its licensed service area. On September 19, 2007 Hydro Ottawa filed an application with the Ontario Energy Board (the "Board") for an order or orders approving or fixing just and reasonable rates for the distribution of electricity and other charges, to be effective May 1, 2008.

The Board assigned file number EB-2007-0713 to the application and issued a Notice of Application and Hearing on October 5, 2007. Consumers Council of Canada ("CCC"), Energy Probe Research Foundation ("Energy Probe"), PowerStream Inc., School Energy Coalition ("SEC"), and Vulnerable Energy Consumers Coalition ("VECC") requested and were granted intervenor status. Carleton Condominium Corporation was granted observer status.

In addition to requesting new rates effective May 1, 2008, Hydro Ottawa requested that the Board declare its current rates to be interim effective January 1, 2008 and to consider, as part of this proceeding, whether to allow recovery from customers of any revenue deficiency for the four-month period January 1, 2008 to April 30, 2008. On January 10, 2008 the Board issued a decision denying Hydro Ottawa's request.

On January 23, 2008, Hydro Ottawa filed a Settlement Proposal that had been developed and agreed to by the Company and active intervenors (CCC, Energy Probe, SEC, and VECC). Except for three issues, the parties reached full settlement on all issues. The proposal was presented at a settlement hearing on January 24, 2008 and was accepted by the Board as filed, subject to the addition of some clarifying language for one issue and correction of a few clerical errors.

Two of three issues on which the parties were not able to achieve full settlement (Issues 4.2 and 8.4) related to Hydro Ottawa's request that it be permitted to establish a deferral account for what it describes as the "revenue deficiency" for the four-month period from January 1, 2008 to April 30, 2008. At the January 24, 2008 hearing dealing with the settlement proposal, the Board requested written submissions from the Company, intervenors, and Board staff on those two issues.

The third issue that was not fully settled (Issue 3.4) related to Hydro Ottawa's proposed change in its accounting policy for capitalization of overhead costs. SEC was the only intervenor to disagree with the Company's proposal. The Board conducted an oral hearing on this issue on February 4, 2008.

The Board's decision regarding the outstanding issues was issued on March 17, 2008. The Decision included a copy of the approved Settlement Proposal. In the Decision, the Board ordered Hydro Ottawa to file a Draft Rate Order reflecting the Board's findings. The Board indicated that it expected Hydro Ottawa to file detailed supporting material, including all relevant calculations showing the impact of this Decision on the Company's proposed revenue requirement, the allocation of the approved revenue requirement to the classes and the determination of the final rates.

Hydro Ottawa filed a draft Rate Order on March 31, 2008. The intervenors in this proceeding had the opportunity to file comments within 6 days from the date of the filing of the Draft Rate Order. The Board received a letter from VECC indicating that it had no comments on the Draft Rate Order. Board staff issued comments on the draft Rate Order and asked for further information on rate base, capital expenditures, working capital allowance, smart meters, revenue to cost ratios, determination of monthly service charges and determination of the final rate schedules.

Hydro Ottawa provided the additional information requested on April 9, 2008.

The Board has reviewed the information provided and the proposed Tariff of Rates and Charges and is satisfied that the document accurately reflects the Board's Decision.

For completeness of the regulated charges, the Board has included in the Tariff of Rates and Charges, the charges pertaining to services provided to retailers or consumers regarding the supply of competitive electricity, which are referenced in Chapter 12 of the 2006 Electricity Distribution Rate Handbook.

**THE BOARD ORDERS THAT:**

1. The Tariff of Rates and Charges set out in Appendix "A" of this Rate Order is approved, effective May 1, 2008, for electricity consumed or estimated to have been consumed on and after May 1, 2008.
2. The Tariff of Rates and Charges set out in Appendix "A" of this Order supersedes all previous distribution rate schedules approved by the Ontario Energy Board for Hydro Ottawa Limited and is final in all respects, except for the Standby Power rates which are approved as interim.

3. Hydro Ottawa Limited shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

**DATED** at Toronto, April 23, 2008.

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

## **Appendix “A”**

**To The Rate Order Arising from Decision  
EB-2007-0713  
Hydro Ottawa Limited**

**April 23, 2008**

# **Hydro Ottawa Limited**

## **TARIFF OF RATES AND CHARGES**

### **Effective May 1, 2008**

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

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#### **APPLICATION**

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders 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, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

#### **EFFECTIVE DATES**

**DISTRIBUTION RATES** - May 1, 2008 for all consumption or deemed consumption services used on or after that date.  
**SPECIFIC SERVICE CHARGES** - May 1, 2008 for all charges incurred by customers on or after that date.  
**RETAIL SERVICE CHARGES** – May 1, 2008 for all charges incurred by retailers or customers on or after that date.  
**LOSS FACTOR ADJUSTMENT** – May 1, 2008 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

#### **SERVICE CLASSIFICATIONS**

##### **Residential**

This classification includes accounts taking electricity at 120/240 volts single phase 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.

##### **General Service Less Than 50 kW**

This classification refers to non residential accounts taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than 50 kW.

##### **General Service 50 to 1,499 kW**

This classification refers to non residential accounts 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 1,500 kW.

##### **General Service 1,500 to 4,999 kW**

This classification refers to non residential accounts whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 1,500 kW but less than 5,000 kW.

##### **Large Use**

This classification refers to an account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 5,000 kW.

##### **Unmetered Scattered Load**

This classification includes accounts taking electricity at 120/240 volts single phase whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These 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. Qualification for this classification is at the discretion of Hydro Ottawa as defined in its Conditions of Service.

##### **Standby Power**

This classification refers to an account that has Load Displacement Generation equal to or greater than 500 kW and requires the distributor to provide back-up service.

##### **Sentinel Lighting**

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

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

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#### Street Lighting

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting controlled by photocells. The consumption for these customers is based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template.

## MONTHLY RATES AND CHARGES

### Residential

Service Charge	\$	9.54
Distribution Volumetric Rate	\$/kWh	0.0205
Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery		
Rate Rider – effective until April 30, 2009	\$/kWh	0.0006
Deferral Account Rate Rider – effective until April 30, 2009	\$/kWh	(0.0007)
Low Voltage Services Charge	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

### General Service Less Than 50 kW

Service Charge	\$	15.67
Distribution Volumetric Rate	\$/kWh	0.0183
Deferral Account Rate Rider – effective until April 30, 2009	\$/kWh	(0.0010)
Low Voltage Services Charge	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0046
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0036
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

### General Service 50 to 1,499 kW

Service Charge	\$	248.53
Distribution Volumetric Rate	\$/kW	2.9918
Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery		
Rate Rider – effective until April 30, 2009	\$/kW	0.0010
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	(0.4582)
Low Voltage Services Charge	\$/kW	0.0749
Retail Transmission Rate – Network Service Rate	\$/kW	1.8976
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4730
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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#### General Service 1,500 to 4,999 kW

Service Charge	\$	3,979.03
Distribution Volumetric Rate	\$/kW	2.8573
Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery Rate Rider – effective until April 30, 2009	\$/kW	0.0007
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	(0.5158)
Low Voltage Services Charge	\$/kW	0.0800
Retail Transmission Rate – Network Service Rate	\$/kW	1.9704
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5742
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### Large Use

Service Charge	\$	14,447.82
Distribution Volumetric Rate	\$/kW	2.7352
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	(0.6082)
Low Voltage Services Charge	\$/kW	0.0901
Retail Transmission Rate – Network Service Rate	\$/kW	2.1843
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7727
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### Unmetered Scattered Load

Service Charge (per connection)	\$	3.97
Distribution Volumetric Rate	\$/kWh	0.0198
Deferral Account Rate Rider – effective until April 30, 2009	\$/kWh	(0.0010)
Low Voltage Services Charge	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0046
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0036
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### Standby Power – APPROVED ON AN INTERIM BASIS

Service Charge	\$	106.38
Standby Charge – for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of generation facility):		
General Service 50 to 1,499 kW customer	\$/kW	1.4196
General Service 1,500 to 4,999 kW customer	\$/kW	1.3022
General Service Large Use customer	\$/kW	1.4451

#### Sentinel Lighting

Service Charge (per connection)	\$	1.87
Distribution Volumetric Rate	\$/kW	7.1332
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	(0.3328)
Low Voltage Services Charge	\$/kW	0.0568
Retail Transmission Rate – Network Service Rate	\$/kW	1.4079
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1171
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25



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#### Street Lighting

Service Charge (per connection)	\$	0.48
Distribution Volumetric Rate	\$/kW	3.4037
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	(0.4033)
Low Voltage Services Charge	\$/kW	0.0556
Retail Transmission Rate – Network Service Rate	\$/kW	1.4008
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.0943
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### Specific Service Charges

Customer Administration		
Arrears Certificate	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Unprocessed Payment Charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	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
Disconnect/Reconnect at Pole – during regular hours	\$	185.00
Disconnect/Reconnect at Pole – after regular hours	\$	415.00
Temporary Service install & remove – overhead – no transformer	\$	500.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Dry core transformer distribution charge	As per Attached Table	
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.45)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

#### Retail Service Charges (if applicable)

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

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### LOSS FACTORS

Total Loss Factor – Secondary Metered Customer &lt; 5,000 kW

1.0344

Transformers	No Load Loss (W)	Load Loss (W)	Cost of Transmission per kW	Cost of Energy and Wholesale Market per kWh	Total Monthly cost of power	Cost of Distribution per kW	Total
Rates			\$3.6049	\$0.0751		\$3.1561	
25 KVA 1 PH	150	900	\$0.58	\$6.83	\$7.41	\$0.51	\$7.92
37.5 KVA 1 PH	200	1200	\$0.77	\$9.11	\$9.88	\$0.68	\$10.55
50 KVA 1 PH	250	1600	\$0.98	\$11.45	\$12.44	\$0.86	\$13.30
75 KVA 1 PH	350	1900	\$1.31	\$15.79	\$17.10	\$1.15	\$18.25
100 KVA 1 PH	400	2600	\$1.58	\$18.36	\$19.94	\$1.39	\$21.33
150 KVA 1 PH	525	3500	\$2.10	\$24.16	\$26.25	\$1.83	\$28.09
167 KVA 1 PH	650	4400	\$2.61	\$29.96	\$32.56	\$2.28	\$34.85
200 KVA 1 PH	696	4700	\$2.79	\$32.07	\$34.86	\$2.44	\$37.30
225 KVA 1 PH	748	5050	\$3.00	\$34.46	\$37.46	\$2.62	\$40.09
250 KVA 1 PH	800	5400	\$3.21	\$36.86	\$40.06	\$2.81	\$42.87
*15 KVA 3 PH	125	650	\$0.46	\$5.62	\$6.08	\$0.41	\$6.49
*45 KVA 3 PH	300	1800	\$1.16	\$13.66	\$14.82	\$1.01	\$15.83
*75 KVA 3 PH	400	2400	\$1.54	\$18.21	\$19.76	\$1.35	\$21.11
*112.5 KVA 3 PH	600	3400	\$2.28	\$27.17	\$29.45	\$1.99	\$31.44
*150 KVA 3 PH	700	4500	\$2.76	\$32.09	\$34.85	\$2.42	\$37.27
*225 KVA 3 PH	900	5300	\$3.46	\$40.90	\$44.36	\$3.03	\$47.38
*300 KVA 3 PH	1100	6300	\$4.19	\$49.86	\$54.05	\$3.67	\$57.72
*500 KVA 3 PH	1500	9700	\$5.93	\$68.80	\$74.73	\$5.19	\$79.92
*750 KVA 3 PH	2100	12000	\$7.99	\$95.17	\$103.16	\$7.00	\$110.16
*1000 KVA 3 PH	2600	15000	\$9.93	\$117.93	\$127.85	\$8.69	\$136.54
*1500 KVA 3 PH	4000	22000	\$15.06	\$180.64	\$195.70	\$13.19	\$208.89
*2000 KVA 3 PH	4800	24000	\$17.61	\$215.01	\$232.63	\$15.42	\$248.04
*2500 KVA 3 PH	5700	26000	\$20.43	\$253.50	\$273.93	\$17.89	\$291.82

Total Loss Factor – Secondary Metered Customer &gt; 5,000 kW

1.0170

Total Loss Factor – Primary Metered Customer &lt; 5,000 kW

1.0240

Total Loss Factor – Primary Metered Customer &gt; 5,000 kW

1.0069

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### **Dry Core Transformer Charges**

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

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