



EB-2013-0009

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

AND IN THE MATTER OF a determination by the Ontario
Energy Board on the Green Energy Plan Electricity Rate
Protection Benefit and Charge for 2013 as required under
Section 79(1) of the *Ontario Energy Board Act, 1998* and
Ontario Regulation 330/09;

AND IN THE MATTER OF a determination by the Ontario
Energy Board under Section 21(4) of the *Ontario Energy
Board Act, 1998* to dispose of this proceeding without a
hearing.

By delegation, before: Lynne Anderson

DECISION WITH REASONS and ORDER

February 6, 2013

INTRODUCTION

Under section 79.1 of the *Ontario Energy Board Act, 1998* (the “Act”), the Ontario Energy Board, in approving just and reasonable rates for a distributor that incurs costs to make an eligible investment for the purpose of connecting or enabling the connection of a qualifying generation facility to its distribution system, shall provide rate protection for prescribed consumers or classes of consumers in the distributor's service area by reducing the rates that would otherwise apply in accordance with the prescribed rules.

Ontario Regulation 330/09 states that the rate protection amount is to be collected by the Independent Electricity System Operator (“IESO”) from all electricity market participants. The Regulation requires the Board to determine the monthly amount to be collected by the IESO such that the total amount that is to be collected is equal to the total amount of rate protection that is to be provided.

The Board determines the total amount to be collected each year by aggregating the rate protection amounts determined for each qualifying distributor in their distribution rate decisions. For 2012, through Board Decision and Order EB-2012-0009, three distributors were provided with rate protection: Hydro One Networks Inc. in the amount of \$19.7 million (from the EB-2010-0191 decision), Hydro One Brampton Networks Inc. in the amount of \$167,655 (from the EB-2011-0174 decision) and Horizon Utilities Corporation in the amount of \$8,480 (from the EB-2011-0172 decision).

BOARD FINDINGS: THE 2013 COMPENSATION AMOUNT

The Board has determined the total 2013 amount to be collected by the IESO in 2013 to be \$19,965,025. This total is based on several distribution rate decisions issued in 2009 and 2012 in which the Board determined the following 2013 compensation amounts:

- For Guelph Hydro Electric Systems Inc.: \$26,552 for 2012/2013 (EB-2011-0123 dated March 31, 2012);
- For Enersource Hydro Mississauga Inc. (“Enersource”): \$64,270 for 2010-2013 (EB-2012-0033 dated December 13, 2012);

- For Hydro One Brampton Networks Inc.: \$165,723 for 2013 (EB-2012-0135 dated December 6, 2012);
- For Horizon Utilities Corporation: \$8,480 for 2013 (EB-2012-0132 dated December 6, 2012);
- For Hydro One Networks Inc. Distribution: \$19,700,000. Hydro One Networks Inc. indicated in its EB-2012-0136 application that it is not requesting any change to its approved 2012 compensation amount. Therefore, the Hydro One Networks compensation amount for 2013 will remain at its 2012 level of \$19,700,000, as determined in the EB-2009-0096 order issued December 21, 2010.

With respect to the Enersource amount, in proceeding EB-2012-0033 the Board approved the GEA Plan-related capital expenditures incurred by Enersource in 2010, 2011, and forecast for 2012 and 2013; as well as use of the standardized approach to calculate direct costs attributable to Enersource's ratepayers of 6% and 94% attributable to provincial ratepayers. Enersource filed with the Board a calculation for the revenue requirement impact of these capital expenditures. The Board has reviewed the calculation and agrees that the calculation of \$64,270 is consistent with the Board's decision in EB-2012-0033.

The monthly amount to be collected by the IESO from all market participants in 2013 shall be \$1,663,752. The monthly charge for each market participant will vary with the actual consumption of the market participant in that month.

In making this determination, the Board acknowledges that distributors will be passing on their share of this charge to their electricity distribution customers through the Wholesale Market Service Charge ("WMSC") currently approved by the Board at \$0.0052 per kWh. It is the Board's view that at its current level, this charge will have a minimal impact on balances in the WMSC variance account (Account 1580) and the Board will not adjust the WMSC at this time. Therefore, the WMSC shall remain at its current level of \$0.0052 per kWh, until such time as the Board amends the WMSC.

DETERMINATION TO DISPOSE OF THIS PROCEEDING WITHOUT A HEARING

The Board has made its determination of the 2013 compensation amount to be collected by the IESO in accordance with Ontario Regulation 330/09 and the

requirements of the Act. Ontario Regulation 330/09 prescribes the methodology the Board uses to determine the amount to be collected for any given year.

The total amount to be collected by the IESO for 2013 is derived from previous decisions of the Board in which compensation amounts were determined for qualifying distributors: EB-2009-0096, EB-2012-0135, EB-2012-0132, EB-2012-0033 and EB-2011-0123. The findings in this Decision involve only the implementation of findings in previous decisions. The Board has therefore determined that no person will be adversely affected in a material way by the outcome of this proceeding, and, in accordance with section 21(4)(b) of the Act, has disposed of this matter without a hearing.

IMPLEMENTATION

The monthly amount to be collected by the IESO shall be \$1,663,752 per month effective January 1, 2013 and until such time as the Board revises this amount.

Attached to this Decision and Order are communications to the IESO (Appendix A) and to distributors (Appendix B) regarding the monthly charge for 2013.

Therefore, the Board Orders that:

1. Effective January 1, 2013, the IESO shall collect \$1,663,752 per month until such time as the Board revises this amount.

DATED at Toronto, February 6, 2013

ONTARIO ENERGY BOARD

Original Signed By

Lynne Anderson
Managing Director, Applications and Regulatory Audit

APPENDIX A

To Decision With Reasons and Order

**Communication to the IESO on Collection of Compensation Amounts under
Ontario Regulation 330/09 for 2013**

Board File No. EB-2013-0009

Dated: February 6, 2013

**Ontario Energy
Board**
P.O. Box 2319
27th 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
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY EMAIL

February 6, 2013

Mr. Brian Rivard
Manager, Regulatory Affairs & Policy Sector Analysis
Independent Electricity System Operator
Station A, Box 4474
Toronto, ON, M5W 4E5

Dear Mr. Rivard:

**Re: Collection of Compensation Amounts
under Ontario Regulation 330/09 for 2013**

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board (the "Board") to calculate the monthly amount to be collected by the Independent Electricity System Operator (the "IESO") to provide compensation to qualifying distributors for rate protection provided to consumers.

The Board has issued previous orders, setting the compensation amount for 2010, 2011 and 2012, authorizing the IESO to implement the charge for each of those years. On February 6, 2013 the Board issued its Decision and Order (EB-2013-0009) establishing the compensation amounts for 2013.

Amount to be charged by the IESO in 2013

In its EB-2013-0009 Decision and Order, the Board has determined that effective January 1, 2013 and until such time as the Board revises it, the amount to be collected by the IESO from all market participants in the year 2013 shall be \$19,965,025 or \$1,663,752 per month (based on a 12 month recovery period).

The Board expects the IESO to implement this charge as soon as possible with monthly amounts adjusted, if necessary, to ensure the entire amount is collected and remitted to the qualifying distributors in a timely manner.

The following monthly amounts are to be forwarded to the following qualifying distribution utilities:

• Hydro One Networks Inc.	\$1,641,667
• Hydro One Brampton Networks Inc.	\$ 13,810
• Enersource Hydro Mississauga Inc.	\$ 5,356
• Horizon Utilities Corporation	\$ 707
• Guelph Hydro Electric Systems Inc.	\$ 2,213

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

Cc: Hydro One Networks Inc.
Hydro One Brampton Networks Inc.
Enersource Hydro Mississauga Inc.
Horizon Utilities Corporation
Guelph Hydro Electric Systems Inc.

Attachment

APPENDIX B

To Decision With Reasons and Order

**Communication to Distributors on Collection of Compensation Amounts under
Ontario Regulation 330/09 for 2013**

Board File No. EB-2013-0009

Dated: February 6, 2013

Ontario Energy Board
P.O. Box 2319
27th. 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
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY EMAIL

February 6, 2013

To: All Licensed Electricity Distributors

**Re: Collection of Compensation Amounts
under Ontario Regulation 330/09 for 2013**

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board to calculate the monthly amount to be collected by the Independent Electricity System Operator (the "IESO") to provide compensation to qualifying distributors for rate protection provided to consumers. On February 6, 2013 the Board issued its EB-2013-0009 Decision and Order directing the IESO to adjust the charge for 2013. The EB-2013-0009 Decision and Order is attached.

Amount to be Charged by the IESO in 2013

The EB-2013-0009 Decision and Order established the 2013 compensation amount for the following qualifying distributors, based on the rate decisions for those distributors:

- Hydro One Networks Inc.: for the amount of \$19,700,000 (EB-2009-0096);
- Hydro One Brampton Networks Inc.: \$165,723 (EB-2012-0135);
- Enersource Hydro Mississauga Inc.: \$64,270 (EB-2012-0033);
- Horizon Utilities Corporation Inc.: \$8,480 (EB-2012-0132); and,
- Guelph Hydro Electric Systems Inc.: \$26,552 (EB-2011-0123).

Therefore, the total amount to be collected by the IESO in the year 2013 is \$19,965,025 or \$1,663,752 per month (based on a 12 month recovery period).

The monthly amount billed to each distributor in the province will vary depending on the kWh withdrawn from the IESO-controlled grid for each month.

Amount to be Charged by Distributors in 2013

In determining the amount to be collected from the IESO, the Board acknowledged that distributors will be passing on this charge to their electricity distribution customers through the Wholesale Market Service Charge ("WMSC") currently approved by the Board at \$0.0052 per kWh. It was the Board's view that at its current level, the Renewable Generation Compensation Rate Protection would have a minimal impact on balances in the WMSC variance account (Account 1580) and therefore did not adjust the WMSC. The WMSC will remain at its current level of \$0.0052 per kWh until such time as the Board amends the WMSC.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

Attachment