



**RP-2002-0087**  
**EB-2002-0096**

**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 Clinton  
Power Corporation for an order or orders approving  
or fixing just and reasonable rates.

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

George Dominy  
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 rates adjustments. Supplemental instructions were issued on January 18, 2002.

On July 8, 2002 Clinton Power Corporation ("Clinton Power" or the "Applicant") filed an application (the "Application") with the Board, dated July 3, 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 assigned file number RP-2002-0087/EB-2002-0096 to the application.

On September 4, 2002 the Applicant submitted a letter requesting the Board to consider the issue of the delayed IMO billing, which was included in the July 8, 2002 Application, in a separate proceeding.

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.

In the amended application, the Applicant applied to adjust distribution rates for the following:

- Input Price Inflation (IPI) and Productivity Factor (PF) as provided for in the Performance Based Regulation Plan
- 2<sup>nd</sup> installment of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), \$23,977
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$4,091
- the 2002 Payments in Lieu of Taxes (PILs), \$19,948
- a Z-factor recovery of \$17,983 to recover the lost revenue for the period of April 1, 2001 to December 31, 2001
- a Z-factor recovery of \$47,143 to recover the lost revenue for the period March 1, 2002 to August 1, 2002
- a change in the Applicant's late payment penalty and a provision for revenue losses incurred by this change, \$854

Copies of the amended Application and supporting material are available for review at the offices of Clinton Power and 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.

Clinton Power requested that its new distribution rates be effective March 1, 2002. The Applicant is seeking to recover lost distribution revenue for the period of March 1, 2002 to the date of approval of the new distribution rates, as a rate rider.

The Board notes that the current application, dated July 1, 2002, was received on July 8, 2002 and modified on September 4, 2002.

The Board needs a reasonable amount of time to review, analyse, assess, decide and process rates applications. The Board therefore finds that November 1, 2002 is a reasonable effective date for the new rates. Consequently, the Board denies the Applicant's request to recover lost revenues for the period March 1, 2002 to October 31, 2002.

The Board notes that in its Decision with Reasons and Order, dated December 12, 2001, the Board approved the recovery of the foregone revenue due to the

delay in implementation of adjusted rates effective April 1, 2001 and the Applicant received authorization of its plan to include this revenue in its application for the March 1, 2002 distribution rate adjustment. The Board finds that the applied for amount of \$17,983 is acceptable and allows recovery of this amount over the four month period from November 1, 2002 to February 28, 2003.

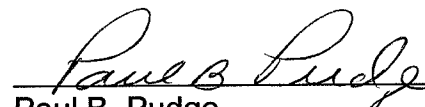
Subject to these adjustments, the Board finds that the Applicant's proposals conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

**THE BOARD ORDERS THAT:**

1. The revised rates set out in Appendix "A" of this Order be hereby approved effective November 1, 2002.
2. The Company shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

**DATED** at Toronto, November 4, 2002.

ONTARIO ENERGY BOARD

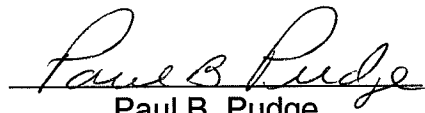
  
Paul B. Pudge  
Board Secretary

Appendix "A"

RP-2002-0087  
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November 4, 2002

ONTARIO ENERGY BOARD

  
Paul B. Pudge  
Board Secretary

**Clinton Power Corporation**  
**Schedule of Rates and Charges**  
**Effective November 1, 2002**

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**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**

Monthly Service Charge	(per month)	\$9.50
Distribution Volumetric Rate	(per kWh)	\$0.0093
Cost of Power Rate	(per kWh)	n/a

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$19.31
Distribution Volumetric Rate	(per kWh)	\$0.0096
Cost of Power Rate	(per kWh)	n/a

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

Monthly Service Charge	(per month)	\$31.87
Distribution Volumetric Rate	(per kW)	\$3.2523
Cost of Power Demand Rate	(per kW)	n/a
Cost of Power Energy Rate	(per kWh)	n/a

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

Monthly Service Charge	(per month)	\$0.24
Distribution Volumetric Rate	(per kW)	\$0.1467
Cost of Power Demand Rate	(per kW)	n/a



**Clinton Power Corporation**  
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**STREET LIGHTING (Time of Use)**

Monthly Service Charge	(per month)	\$0.12
Distribution Volumetric Rate	(per kW)	\$0.1200
Cost of Power - Winter	(per kW)	n/a
Cost of Power - Summer	(per kW)	n/a

**SPECIFIC SERVICE CHARGES**

Late Payment Charge	(per month)	1.5%
	(per annum)	19.56%
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

**Service Calls**

- during regular working hours	\$	10.00
- after regular working hours	\$	20.00

**Customer Administration**

Account Setup Charge	\$	9.00
Arrears Certificate	\$	10.50
Dispute Involvement Charge	\$	10.00

Transformer Allowance for Ownership service at less than 15 kV  
(for customers prior to January 1, 2001) \$0.60 / kW