

Ontario Energy
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BY PRIORITY POST

November 16, 2001

Mr. Larry J. McCabe
Secretary
West Coast Huron Energy Inc.
64 West Street
Goderich, Ontario
N7A 2K4

Dear Mr. McCabe:

Re: West Coast Huron Energy Inc. - Electricity Rate Change
Board File No. RP-2000-0263/EB-2000-0563/EB-2001-0226

The Board has today issued its Decision with Reasons and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

A handwritten signature in cursive script that reads "Paul B. Pudge".

Paul B. Pudge
Board Secretary

Encl.



RP-2000-0263
EB-2000-0563
EB-2001-0226

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 West Coast Huron Energy Inc. for an order or orders approving or fixing just and reasonable rates.

BEFORE: Sally Zerker
Presiding Member

Bob Betts
Member

Paul Sommerville
Member

DECISION WITH REASONS AND ORDER

West Coast Huron Energy Inc. ("West Coast" or "the Applicant") filed an Application ("the Application") dated December 29, 2000 with the Ontario Energy Board ("the Board"), for an order or orders approving or fixing just and reasonable rates for the distribution of electricity.

Under the direction of the Board, West Coast published a Notice of Application and Notice of Written Hearing in local newspapers.

On February 13, 2001, West Coast re-submitted its rate application with revisions to the data used in the Rate Unbundling and Design Model ("RUD model").

On March 7, 2001, interrogatories were issued requiring clarification and evidence to the Applicant's re-submitted application.

On May 2, 2001 the Applicant filed its request for approval for new rates reflecting the June 1, 2001 cost of power increase using the Standard Method of Implementation. The Board approved an increase of \$0.00735 per kWh to be added to the energy and related rates of West Coast, and indicated that the new rate schedule would be issued in due course.

In Procedural Order #1, dated June 13, 2001, the Applicant was requested to file any submissions by June 19, 2001. The Applicant filed its submission on June 19, 2001.

On August 9, 2001, the Board received West Coast's response to a Board staff request for further information regarding the proposed implementation date and retroactivity. The Applicant confirmed the proposed effective date for the new rates as being March 1, 2001 and that the Applicant's billing system is capable of pro-rating and billing retroactively.

Also on August 9, 2001, the Applicant amended its application, decreasing its stated 1999 net income by \$6,873 and hence increasing the proposed revenue requirements by the same amount.

On August 17, 2001, the Applicant further amended its application. Adjustments were made to exclude revenues from water heater rentals and recover revenue lost resulting from changes to specific service charges, thereby removing a further \$8,522 from net income.

West Coast has elected to use the maximum allowable Target Return on Common Equity of 9.88%. The first year incremental revenue is \$32,781.64 which is one third of the amount required to achieve the Target Rate on Equity, exclusive of Payment in Lieu of Taxes. The Revised Application also states that for a typical residential customer consuming 1,000 kWh per month, the increase in their total bill in the first year of the rate mitigation plan is 0.3%, and for a typical general service customer consuming 2,000 kWh per month, the increase in their total bill in the first year of the rate mitigation plan is 2.0%. Due to rate restructuring, individual customer bill impacts may be higher or lower depending on a customer's electricity consumption.

Copies of the Application, including the evidence filed in this proceeding, are available for review at the Board's offices.

Board Findings

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.

The Board finds that West Coast's election of a 9.88% Target Rate of Return on Common Equity, and its plan for mitigation of the impact of that election on customers, is in conformity with the Rate Handbook and the RP-2000-0069 Decision, and is acceptable.

The Applicant requested changes to ten of its specific service charges and has provided cost justification for these changes. The total revenue produced by the proposed specific service charges, based on the 1999 frequency, is \$54,944, which would amount to 0.58 percent of the total 1999 revenues. This is a decrease from the 1999 specific service charge revenue of \$59,803. The Board finds the proposed changes reasonable.

The Applicant also proposed to change the current 5% Late Payment Charge to a 1.5% compounded monthly rate charged on outstanding balance overdue. The Board finds that the proposed change is reasonable.

West Coast made an adjustment to the 1999 Return of \$15,395 to exclude revenues from water heater rentals and recover revenue lost resulting from changes to specific service charges. The Board finds the proposed change reasonable.

The Board is satisfied that there are no other significant deviations from the Electricity Distribution Rate Handbook.

The Board finds that the rates applied for are just and reasonable.

By letter dated February 28, 2001, the Board indicated that the rates set out in the Transitional Distribution Rate Order are declared interim as of March 1, 2001 for all

licensed distributors who filed submissions for unbundled distribution rates on or before February 28, 2001.

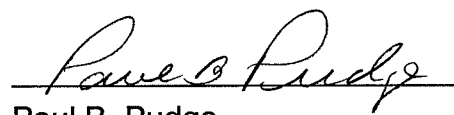
West Coast proposed to make the new rates effective March 1, 2001. It also proposed that it be allowed to bill customers retroactively for that portion of the first year incremental revenue not received for the period from March 1, 2001 to the date of issuance of the customers' bills based on the new rates. The Applicant proposed to collect this incremental revenue by means of either a one-time charge or spread over more than one bill depending on the impact of the added amount. The Board finds this acceptable.

THE BOARD ORDERS THAT:

1. The rates as set out in Appendix "A" of this Order are hereby approved as final rates for the period March 1, 2001 to May 31, 2001.
2. The rates, which include the cost of power increase (EB-2001-0226), as set out in Appendix "B" of this Order are hereby approved on all energy consumed effective June 1, 2001.
3. West Coast Huron Energy Inc. may recover that portion of the first year incremental revenue not received from its customers for the period from March 1, 2001 to the date of issuance of the customers' bills based on the new rates as set out in this Order by means of either a one-time charge or spread over more than one bill depending on the impact of the added amount as determined by the distributor.

DATED at Toronto, November 16, 2001.

ONTARIO ENERGY BOARD



Paul B. Pudge
Board Secretary

West Coast Huron Energy Inc.
SCHEDULE OF RATES AND CHARGES
Effective March 1, 2001 to May 31, 2001

RP-2000-0263
EB-2000-0563

Specific Service Charges (continued)

Non Payment of Account

Late payment Charge	(per month; per annum)	1.5%, 19.56%
Returned cheque charge	(plus bank charges)	\$25.00
Collection of account charge		\$20.00
Reconnection - regular working hours		\$60.00
Reconnection - after regular working hours		\$175.00

Pole Connection Charges

Line Poles (cable)	\$15.89
Clearance Poles (cable)	\$ 3.98
Line Poles (Bell)	\$14.17
Line Poles (Hydro One)	\$28.61

Appendix "B"

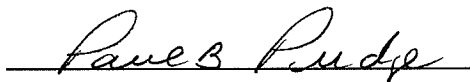
RP-2000-0263

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EB-2001-0226

November 16, 2001

ONTARIO ENERGY BOARD

A handwritten signature in cursive script, reading "Paul B. Pudge", is written over a horizontal line.

Paul B. Pudge
Board Secretary

West Coast Huron Energy Inc.
SCHEDULE OF RATES AND CHARGES
Effective June 1, 2001

RP-2000-0263

EB-2000-0563

EB-2001-0226

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 (as in Toronto), Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.
 Off-Peak: all other hours

Residential

Monthly Service Charge	(per month)	\$11.44
Distribution Volumetric Rate	(per kWh)	\$ 0.0063
Cost of Power	(per kWh)	\$ 0.07595

General Service (Less than 50 kW)

Monthly Service Charge	(per month)	\$27.44
Distribution Volumetric Rate	(per kWh)	\$ 0.0039
Cost of Power	(per kWh)	\$ 0.07485

General Service - Non Time of Use (Greater than 50 kW)

Monthly Service Charge	(per month)	\$333.82
Distribution Volumetric Rate	(per kW)	\$ 0.7933
Cost of Power	(per kW)	\$ 5.9163
Cost of Power	(per kWh)	\$ 0.05275

General Service - Time of Use (Greater than 50 kW)

Monthly Service Charge	(per month)	\$2,867.71
Distribution Volumetric Rate	(per kW)	\$ 1.0984
Cost of Power: Winter Peak	(per kW)	\$10.3743
Cost of Power: Summer Peak	(per kW)	\$ 7.8448
Cost of Power: Winter Peak	(per kWh)	\$ 0.06365
Cost of Power: Winter Off-Peak	(per kWh)	\$ 0.03825
Cost of Power: Summer Peak	(per kWh)	\$ 0.05385
Cost of Power: Summer Off-Peak	(per kWh)	\$ 0.02855

West Coast Huron Energy Inc.
SCHEDULE OF RATES AND CHARGES
Effective June 1, 2001

RP-2000-0263

EB-2000-0563

EB-2001-0226

Large Use

Monthly Service Charge	(per month)	\$16,574.90
Distribution Volumetric Rate	(per kW)	\$ 0.8369
Cost of Power: Winter Peak	(per kW)	\$12.0193
Cost of Power: Summer Peak	(per kW)	\$ 9.0887
Cost of Power: Winter Peak	(per kWh)	\$ 0.06985
Cost of Power: Winter Off-Peak	(per kWh)	\$ 0.04175
Cost of Power: Summer Peak	(per kWh)	\$ 0.05905
Cost of Power: Summer Off-Peak	(per kWh)	\$ 0.03095

Sentinel Lighting

Monthly Service Charge	(per connection)	\$ 4.67
Distribution Volumetric Rate	(per kW)	\$ 3.0628
Cost of Power	(per kW)	\$23.3431

Street Lighting

Monthly Service Charge	(per connection)	\$ 0.59
Distribution Volumetric Rate	(per kW)	\$ 2.0317
Cost of Power	(per kW)	\$23.3001

Unmetered Scattered Loads

Unmetered scattered loads, such as traffic signals, telephone booths, bus stop enclosures, billboards and cable TV amplifiers, will be billed at General Service Less than 50 kW rates based on estimated loads, per connection.

Monthly Service Charge	(per month)	\$27.44
Distribution Volumetric Rate	(per kWh)	\$ 0.0039
Cost of Power	(per kWh)	\$ 0.07485

Specific Service Charges

Customer Administration		
Account set up charge		\$20.00
Arrears Certificate		\$18.00
Request for Conditions of Service Charge		\$15.00
Dispute involvement charge		\$75.00
More than 2x Requests for Information		\$10.00

West Coast Huron Energy Inc.
SCHEDULE OF RATES AND CHARGES
Effective June 1, 2001

RP-2000-0263

EB-2000-0563

EB-2001-0226

Specific Service Charges (continued)

Non Payment of Account

Late payment Charge	(per month; per annum)	1.5%, 19.56%
Returned cheque charge	(plus bank charges)	\$25.00
Collection of account charge		\$20.00
Reconnection - regular working hours		\$60.00
Reconnection - after regular working hours		\$175.00

Pole Connection Charges

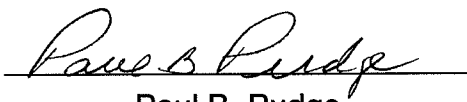
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Line Poles (Bell)	\$14.17
Line Poles (Hydro One)	\$28.61

Appendix "A"

RP-2000-0263
EB-2000-0563

November 16, 2001

ONTARIO ENERGY BOARD


Paul B. Pudge
Board Secretary

West Coast Huron Energy Inc.
SCHEDULE OF RATES AND CHARGES
Effective March 1, 2001 to May 31, 2001

RP-2000-0263
EB-2000-0563

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Off-Peak: all other hours

Residential

Monthly Service Charge	(per month)	\$11.44
Distribution Volumetric Rate	(per kWh)	\$ 0.0063
Cost of Power	(per kWh)	\$ 0.0686

General Service (Less than 50 kW)

Monthly Service Charge	(per month)	\$27.44
Distribution Volumetric Rate	(per kWh)	\$ 0.0039
Cost of Power	(per kWh)	\$ 0.0675

General Service - Non Time of Use (Greater than 50 kW)

Monthly Service Charge	(per month)	\$333.82
Distribution Volumetric Rate	(per kW)	\$ 0.7933
Cost of Power	(per kW)	\$ 5.9163
Cost of Power	(per kWh)	\$ 0.0454

General Service - Time of Use (Greater than 50 kW)

Monthly Service Charge	(per month)	\$2,867.71
Distribution Volumetric Rate	(per kW)	\$ 1.0984
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Cost of Power: Summer Peak	(per kW)	\$ 7.8448
Cost of Power: Winter Peak	(per kWh)	\$ 0.0563
Cost of Power: Winter Off-Peak	(per kWh)	\$ 0.0309
Cost of Power: Summer Peak	(per kWh)	\$ 0.0465
Cost of Power: Summer Off-Peak	(per kWh)	\$ 0.0212

West Coast Huron Energy Inc.
SCHEDULE OF RATES AND CHARGES
Effective March 1, 2001 to May 31, 2001

RP-2000-0263
EB-2000-0563

Large Use

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Distribution Volumetric Rate	(per kW)	\$ 0.8369
Cost of Power: Winter Peak	(per kW)	\$12.0193
Cost of Power: Summer Peak	(per kW)	\$ 9.0887
Cost of Power: Winter Peak	(per kWh)	\$ 0.0625
Cost of Power: Winter Off-Peak	(per kWh)	\$ 0.0344
Cost of Power: Summer Peak	(per kWh)	\$ 0.0517
Cost of Power: Summer Off-Peak	(per kWh)	\$ 0.0236

Sentinel Lighting

Monthly Service Charge	(per connection)	\$ 4.67
Distribution Volumetric Rate	(per kW)	\$ 3.0628
Cost of Power	(per kW)	\$20.6931

Street Lighting

Monthly Service Charge	(per connection)	\$ 0.59
Distribution Volumetric Rate	(per kW)	\$ 2.0317
Cost of Power	(per kW)	\$20.6501

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