



EB-2006-0177

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 Kenora
Hydro Electric Corporation Ltd. for an order or orders
approving or fixing just and reasonable distribution rates
and other charges, effective May 1, 2006.

BEFORE: Paul Vlahos
Member

DECISION AND ORDER ON REQUEST TO REVIEW AND VARY

Kenora Hydro Electric Corporation Ltd. ("Kenora Hydro") is a licensed distributor providing electrical service to consumers within its defined service area. Kenora Hydro filed an application (the "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 matters, to be effective May 1, 2006.

The Board issued its Decision and Order related to the Application on April 12, 2006.

On July 10, 2006, Kenora Hydro filed with the Board a request for a partial review of the Board's Decision and Order to amend the Total Loss Factors which were set out in Appendix "A" of the Decision and Order.

In its request, Kenora Hydro noted that a loss factor value of 1.0398 was incorrectly entered for both the "supply facilities loss factor" and for all "distribution loss factors" resulting in incorrect and inflated updated total loss factors. Kenora Hydro wished to correct the total loss factors to 1.0430 from 1.0812 for secondary metered customers and to 1.0325 from 1.0704 for primary metered customers. Kenora Hydro did not propose to retroactively correct the loss factors for bills issued since May 1, 2006.

The Board has considered the request to review and vary without a hearing pursuant to the Board's powers under s. 21(4) of the *Ontario Energy Board Act*. The Board finds that this is an appropriate matter to consider without a hearing as no party would be materially affected in an adverse manner.

The Board accepts the proposed revision to the loss factors, and the proposed implementation on a prospective basis, as reasonable. In accepting the revisions on a prospective basis, the Board notes that any differences between the revenues collected from customers from May 1, 2006 to now and the amounts paid by Kenora Hydro to the Independent Electricity System Operator due to the use of the previously approved total loss factors will be reflected in the appropriate Retail Settlement Variance Accounts and hence subject to review and disposition by the Board in the future.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix "A" of this Order is effective October 1, 2006 and supersedes all previous distribution rate schedules approved by the Ontario Energy Board for Kenora Hydro Electric Corporation Ltd.
2. Kenora Hydro Electric Corporation Ltd. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, September 28, 2006.

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix "A"

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September 28, 2006

ONTARIO ENERGY BOARD

Kenora Hydro Electric Corporation Ltd.

TARIFF OF RATES AND CHARGES

Effective October 1, 2006

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, 2006 for all consumption or deemed consumption services used on or after that date.

SPECIFIC SERVICE CHARGES - May 1, 2006 for all charges incurred by customers on or after that date.

LOSS FACTOR ADJUSTMENT – October 1, 2006 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

All services supplied to single-family dwelling units for domestic or household purposes shall be classified as residential service.

Subclasses would be:

Overhead

- Transformers not on private property
- Transformers on private property

Underground

- Transformers not on private property
- Transformers on private property

General Service

All services other than those designated as residential service, municipal street lighting service. This includes combination type services where a variety of uses are made of the same service by the Customer (e.g. General Service less than 50 kVA combined with residential service).

Subclasses would be:

Demand less than 50 kVA - (100A @ 120/208V; 100A @ 120/240V, 60A @ 347/600V)

Demand equal to 50 kVA, up to 500 kVA - (1600A @ 120/208V; 600A @ 347/600V; 600A @ 120/240V)

Demand equal to 500 kVA, up to 5,000 kVA - (greater than 1600A @ 120/208V OR greater than 600A @ 347/600V and service from the 44 kV distribution system)

For new installations, demand sizing is based on the main switch size in amps converted to kVA.

Unmetered Scattered Load

This classification applies to an account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kVA and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption.

Kenora Hydro Electric Corporation Ltd.

TARIFF OF RATES AND CHARGES

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Street Lighting

All service supplied to any electrical street lighting equipment owned by, or operated for, the City of Kenora that is used to illuminate roadways and sidewalks, etc. The street light equipment is not metered, and they turn on and off by photoelectric cells. The consumption will be 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	\$	13.44
Distribution Volumetric Rate	\$/kWh	0.0096
Regulatory Asset Recovery	\$/kWh	(0.0015)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0017
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge	\$	0.25

General Service Less Than 50 kW

Service Charge	\$	25.37
Distribution Volumetric Rate	\$/kWh	0.0040
Regulatory Asset Recovery	\$/kWh	(0.0010)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0015
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge	\$	0.25

General Service 50 to 4,999 kW

Service Charge	\$	363.02
Distribution Volumetric Rate	\$/kW	1.2056
Regulatory Asset Recovery	\$/kW	(0.4097)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8149
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.5930
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge (if applicable)	\$	0.25

Unmetered Scattered Load

Service Charge (per connection)	\$	12.67
Distribution Volumetric Rate	\$/kWh	0.0041
Regulatory Asset Recovery	\$/kWh	(0.0010)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0015
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge (if applicable)	\$	0.25

Kenora Hydro Electric Corporation Ltd.

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Street Lighting

Service Charge (per connection)	\$	3.45
Distribution Volumetric Rate	\$/kW	2.2683
Regulatory Asset Recovery	\$/kW	(0.5334)
Retail Transmission Rate – Network Service Rate	\$/kW	1.3687
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.4584
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge (if applicable)	\$	0.25

Specific Service Charges

Customer Administration		
Arrears Certificate	\$	15.00
Statement of Account	\$	15.00
Duplicate Invoices for Previous Billing	\$	15.00
Request for Other Billing Information	\$	15.00
Easement Letter	\$	15.00
Income Tax Letter	\$	15.00
Account History	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	25.00
Returned Cheque (plus bank charges)	\$	25.00
Legal Letter Charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	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
Disconnect/Reconnect Charge - At Meter During Regular Hours	\$	65.00
Disconnect/Reconnect Charge - At Meter After Regular Hours	\$	185.00
Disconnect/Reconnect Charge - At Pole During Regular Hours	\$	185.00
Disconnect/Reconnect Charge - At Pole After Regular Hours	\$	415.00
Install/Remove load control device - During Regular Hours	\$	65.00
Install/Remove load control device - After Regular Hours	\$	185.00
Service call – customer owned equipment	\$	65.00
Service call – After Regular Hours	\$	165.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0430
Total Loss Factor – Secondary Metered Customer > 5,000 kW	NA
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0325
Total Loss Factor – Primary Metered Customer > 5,000 kW	NA