



**August 8, 2008**

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
26th Floor  
Toronto, Ontario  
Attn: Ms. Kirsten Walli  
Board Secretary

**Re: OEB File No. EB-2007-0753  
2008 Electricity Distribution Rate Application  
Norfolk Power Distribution Inc. – Draft Rate Riders**

Dear Ms. Walli,

Norfolk Power Distribution Inc. ("Norfolk Power") respectfully submits the following Draft Rate Rider for its 2008 Tariff of Rates and Charges, as instructed by the Ontario Energy Board in their procedural order dated August 1, 2008.

We have included two paper copies and an electronic version filed through the Board's RESS.

If you have any questions, please contact the undersigned at 519-426-4440, extension 2264.

Yours truly,

A handwritten signature in black ink, appearing to read 'Alvin E. Allim'.

Alvin E. Allim  
Manager of Finance

### **Submission on Draft Rate Rider**

Norfolk Power Distribution Inc. ("Norfolk Power") respectfully submits the following Draft Rate Rider for its 2008 Tariff of Rates and Charges, as instructed by the Ontario Energy Board in their procedural order dated August 1, 2008.

The Board addressed the following issues in their procedural order:

1. Rate Rider(s) to recover lost revenue
2. Disposition of Variance Account 1550

The Draft Rate Rider has been developed as per the direction of the OEB in the following manner:

#### **1. Rate Rider(s) to recover Lost Revenue**

The Board amended its previous Decision to make the revised rates effective July 1, 2008, with an implementation date of September 1, 2008.

As a result of this approval, the period starting from July 1, 2008 to August 31, 2008, Norfolk Power will have charged customers according to its currently approved rates rather than the Board approved 2008 rates.

In order to recover the lost distribution revenue for the two month period, the Board directs Norfolk Power to file the proposed rate rider(s) and supporting materials to justify the rate rider(s). The rate rider(s) will be in effect until April 30, 2009.

The consumption data Norfolk Power used to calculate the draft rate rider(s) is found in the Revised 2008 EDR Application, filed February 25, 2008, Exhibit 3/Tab 2/Schedule 1/Page 5. The information has been partially recreated in Table 1.0 below to provide the relevant 2008 data to be used in the calculation of the proposed loss revenue rider.

**Table 1.0**

<b><u>Customer and Consumption Data</u></b> <b><u>- Norfolk Power</u></b>		<b><u>Test Year</u></b> <b><u>Normalized</u></b> <b><u>Forecast for</u></b> <b><u>2008-Annual</u></b>
<b><u>Customer Class</u></b>		
Residential	Customers	16,607
	Consumption - kWh	147,447,515
GS < 50 kW	Customers	2,058
	Consumption - kWh	64,081,972
GS >50 kW	Customers	166
	Consumption - kWh	189,745,291
	Demand - KW	403,334
Sentinel Lights	Connections	400
	Consumption - kWh	342,469
	Demand - KW	345
Street Lighting	Connections	3,091
	Consumption - kWh	3,101,236
	Demand - KW	9,478
USL	Customers	51
	Consumption - kWh	406,396

For ease of calculation, Norfolk Power used 1/12 of the annualized data from above to calculate consumption data for July 2008 and August 2008. The number of customers in each class remained unchanged for both months. Table 1.1 below shows this information:

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**Table 1.1**

<b><u>Customer and Consumption Data</u></b> <b><u>- Norfolk Power</u></b>		<b>Test Year Normalized Forecast for 2008-Annual</b>	<b>Estimated Billing Determinants for July 2008</b>	<b>Estimated Billing Determinants for August 2008</b>
<b><u>Customer Class</u></b>				
Residential	Customers	16,607	16,607	16,607
	Consumption - kWh	147,447,515	12,287,293	12,287,293
GS < 50 kW	Customers	2,058	2,058	2,058
	Consumption - kWh	64,081,972	5,340,164	5,340,164
GS >50 kW	Customers	166	166	166
	Consumption - kWh	189,745,291	189,745,291	189,745,291
	Demand - KW	403,334	33,611	33,611
Sentinel Lights	Connections	400	400	400
	Consumption - kWh	342,469	28,539	28,539
	Demand - KW	345	29	29
Street Lighting	Connections	3,091	3,091	3,091
	Consumption - kWh	3,101,236	258,436	258,436
	Demand - KW	9,478	790	790
USL	Customers	51	51	51
	Consumption - kWh	406,396	33,866	33,866

The following are the existing rates and the proposed rates:

<b>Customer Class</b>	<b>UOM</b>	<b>Current Rate<sup>1</sup></b>	<b>Proposed Rate<sup>2</sup></b>
<b>Residential</b>			
Service Charge	\$	18.48	21.91
Distribution Volumetric Rate	\$/kWh	0.0169	0.0198
<b>GS &lt; 50 kW</b>			
Service Charge	\$	41.74	50.33
Distribution Volumetric Rate	\$/kW	0.0117	0.0145

<sup>1</sup> Revised 2008 EDR Application, filed February 25, 2008, Exhibit 1/Tab 1/Schedule 4/Pages 1 -2

<sup>2</sup> Reply Submission, filed July 15, 2008, Pages 15 -16

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**GS >50**

Service Charge	\$	219.76	243.37
Distribution Volumetric Rate	\$/kW	3.0175	3.8907

**Sentinel Lights**

Service Charge (per connection)	\$	1.37	4.90
Distribution Volumetric Rate	\$/kW	3.3779	12.2817

**Street Lighting**

Service Charge (per connection)	\$	0.71	1.60
Distribution Volumetric Rate	\$/kWh	2.4025	5.6166

**USL**

Service Charge (per connection)	\$	20.75	26.33
Distribution Volumetric Rate	\$/kWh	0.0117	0.0155

Using the estimated July and the August billing determinants and the rate information outlined above, Table 1.2 below provides the lost revenue calculation for July 2008 and August 2008. Norfolk Power is seeking lost revenue recovery for the two month period of \$331,736.

Since Norfolk Power will be recovering the lost revenue over an eight month period starting September 1, 2008 and ending April 30, 2009, the estimated billing determinants for the eight month period is based on the Test Year Normalized Forecast for 2008 and extrapolated for the period. Table 1.3 provides the detailed billing determinants and the calculation for the rate riders.

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**Table 1.2**

	<u>Revenue for July and August at Proposed Rates</u>			<u>Revenue for July and August at Existing Rates</u>			<u>Lost Revenue</u>		
	Variable	Fixed	TOTAL	Variable	Fixed	TOTAL	Variable	Fixed	TOTAL
Residential	\$486,577	\$727,719	\$1,214,296	\$415,311	\$613,795	\$1,029,105	\$71,266	\$113,924	\$185,190
GS < 50 kW	154,865	207,158	362,023	124,960	171,802	296,762	29,905	35,356	65,261
GS >50 kW	261,542	80,799	342,341	202,844	72,960	275,804	58,699	7,839	66,537
Sentinel Lights	712	3,920	4,632	196	1,096	1,292	516	2,824	3,340
Street Lighting	8,874	9,891	18,765	3,796	4,389	8,185	5,078	5,502	10,580
USL	1,050	2,686	3,736	792	2,117	2,909	257	569	827
	<u>\$913,620</u>	<u>\$1,032,173</u>	<u>\$1,945,793</u>	<u>\$747,898</u>	<u>\$866,159</u>	<u>\$1,614,057</u>	<u>\$165,722</u>	<u>\$166,014</u>	<u>\$331,736</u>

**The Calculation is as follows: (Revenue at Proposed Rates: July + August) Minus (Revenue at Existing Rates: July + August) = Lost Revenue**

	<u>Revenue for July and August at Proposed Rates</u>		<u>Revenue for July and August at Existing Rates</u>		<u>Lost Revenue</u>
Residential					
Variable	(12,287,293 x 0.0198) + (12,287,293 x 0.0198) =	\$486,577	(12,287,293 x 0.0169) + (12,287,293 x 0.0169) =	\$415,311	<b>\$71,266</b>
Fixed	(16,607 x 21.91) + (16,607 x 21.91) =	\$727,719	(16,607 x 18.48) + (16,607 x 18.48) =	\$613,795	<b>113,924</b>
GS < 50 kW					
Variable	(5,340,164 x 0.0145) + (5,340,164 x 0.0145) =	\$154,865	(5,340,164 x 0.0117) + (5,340,164 x 0.0117) =	\$124,960	<b>29,905</b>
Fixed	(2,058 x 50.33) + (2,058 x 50.33) =	\$207,158	(2,058 x 41.74) + (2,058 x 41.74) =	\$171,802	<b>35,356</b>
GS >50 kW					
Variable	(33,611 x 3.8907) + (33,611 x 3.8907) =	\$261,542	(33,611 x 3.0175) + (33,611 x 3.0175) =	\$202,844	<b>58,699</b>
Fixed	(166 x 243.37) + (166 x 243.37) =	\$80,799	(166 x 219.76) + (166 x 219.76) =	\$72,960	<b>7,839</b>
Sentinel Lights					
Variable	(29 x 12.2817) + (29 x 12.2817) =	\$712	(29 x 3.3779) + (29 x 3.3779) =	\$196	<b>516</b>
Fixed	(400 x 4.90) + (400 x 4.90) =	\$3,920	(400 x 1.37) + (400 x 1.37) =	\$1,096	<b>2,824</b>
Street Lighting					
Variable	(790 x 5.6166) + (790 x 5.6166) =	\$8,874	(790 x 2.4025) + (790 x 2.4025) =	\$3,796	<b>5,078</b>
Fixed	(3,091 x 1.60) + (3,091 x 1.60) =	\$9,891	(3,091 x 0.71) + (3,091 x 0.71) =	\$4,389	<b>5,502</b>
USL					
Variable	(33,866 x 0.0155) + (33,866 x 0.0155) =	\$1,050	(33,866 x 0.0117) + (33,866 x 0.0117) =	\$792	<b>257</b>
Fixed	(51 x 26.33) + (51 x 26.33) =	\$2,686	(51 x 20.75) + (51 x 20.75) =	\$2,117	<b>569</b>
					<b>\$331,736</b>

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**Table 1.3**

<u>Customer and Consumption Data - Norfolk Power</u>		Test Year Normalized Forecast for 2008- Annual	Estimated Billing Determinants for Sep 2008	Estimated Billing Determinants for Oct 2008	Estimated Billing Determinants for Nov 2008	Estimated Billing Determinants for Dec 2008	Estimated Billing Determinants for Jan 2009	Estimated Billing Determinants for Feb 2009	Estimated Billing Determinants for Mar 2009	Estimated Billing Determinants for Apr 2009	TOTAL
<u>Customer Class</u>											
Residential	Customers	16,607	16,607	16,607	16,607	16,607	16,607	16,607	16,607	16,607	132,856
	Consumption - kWh	147,447,515	12,287,293	12,287,293	12,287,293	12,287,293	12,287,293	12,287,293	12,287,293	12,287,293	98,298,343
GS < 50 kW	Customers	2,058	2,058	2,058	2,058	2,058	2,058	2,058	2,058	2,058	16,462
	Consumption - kWh	64,081,972	5,340,164	5,340,164	5,340,164	5,340,164	5,340,164	5,340,164	5,340,164	5,340,164	42,721,315
GS >50	Customers	166	166	166	166	166	166	166	166	166	1,328
	Consumption - kWh	189,745,291	189,745,291	189,745,291	189,745,291	189,745,291	189,745,291	189,745,291	189,745,291	189,745,291	1,517,962,331
	Demand - KW	403,334	33,611	33,611	33,611	33,611	33,611	33,611	33,611	33,611	268,890
Sentinel Lights	Connections	400	400	400	400	400	400	400	400	400	3,200
	Consumption - kWh	342,469	28,539	28,539	28,539	28,539	28,539	28,539	28,539	28,539	228,313
	Demand - KW	345	29	29	29	29	29	29	29	29	232
Street Lighting	Connections	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	24,725
	Consumption - kWh	3,101,236	258,436	258,436	258,436	258,436	258,436	258,436	258,436	258,436	2,067,490
	Demand - KW	9,478	790	790	790	790	790	790	790	790	6,320
USL	Customers	51	51	51	51	51	51	51	51	51	408
	Consumption - kWh	406,396	33,866	33,866	33,866	33,866	33,866	33,866	33,866	33,866	270,928

**The Calculation is as follows: Lost Revenue / Consumption for Eight Months**

Residential		
Variable	$(\$71,266 / 98,298,343) =$	\$0.0007
Fixed	$(\$113,924 / 132,856) =$	\$0.86
GS < 50 kW		
Variable	$(\$29,905 / 42,721,315) =$	\$0.0007
Fixed	$(\$35,356 / 16,462) =$	\$2.15
GS >50 kW		
Variable	$(\$58,699 / 268,890) =$	\$0.2183
Fixed	$(\$7,839 / 1,328) =$	\$5.90
Sentinel Lights		
Variable	$(\$516 / 230) =$	\$2.2260
Fixed	$(\$2,824 / 3,200) =$	\$0.88
Street Lighting		
Variable	$(\$5,078 / 6,318) =$	\$0.8035
Fixed	$(\$5,502 / 24,725) =$	\$0.22
USL		
Variable	$(\$257 / 270,931) =$	\$0.0010
Fixed	$(\$569 / 408) =$	\$1.40

The following rate riders are proposed to be included in the draft rate schedule:

Class	Proposed Variable Rate Rider	Proposed Fixed Rate Rider
Residential	\$0.0007	\$0.86
GS < 50 kW	\$0.0007	\$2.15
GS >50	\$0.2183	\$5.90
Sentinel Lights	\$2.2260	\$0.88
Street Lighting	\$0.8035	\$0.22
USL	\$0.0010	\$1.40

## **2. Disposition of Account 1550**

In the May 26, 2008 Decision, the Board deferred disposition of balances with respect to Deferral and Variance accounts, except for Account 1550. In its submission dated July 15, 2008, Norfolk Power sought disposition of Account 1550 in the amount of \$9,162.

The Board believes the amount to have an immaterial impact on consumer's bills and related administrative burden associated with tracking the recovery of this amount. Therefore, the Board finds that this account should not be cleared at this time. Norfolk Power agrees with the Board's decision.

## **3. Summary of Submission**

Norfolk Power is seeking to recover lost distribution revenue of \$331,736 through the proposed rate riders and the Proposed Draft Rate Schedule excludes a rate rider for the disposition of Account 1550.



Norfolk Power is hopeful that it has addressed the Board 's issues and is seeking approval of the rates as applied for.

All of which is respectfully submitted,

*(original signed)*

Alvin E. Allim  
Manager of Finance

## **Proposed 2008 Tariff of Rates and Charges**

### **Residential**

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate 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. All customers are single-phase.

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

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW.

### **General Service 50 to 4,999kW**

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than 50 kW but less than 5,000 kW.

### **Unmetered Scattered Load**

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW 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.

### **StreetLights**

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

## **PROPOSED RATE SCHEDULE**

<b>Residential</b>	<b>UOM</b>	<b>Rate</b>
Service Charge	\$	21.91
Foregone Distribution Revenue Rate Rider – effective until April 30, 2009	\$	0.86
Distribution Volumetric Rate	\$/kWh	0.0198
Foregone Distribution Revenue Rate Rider – effective until April 30, 2009	\$/kWh	0.0007
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
Wholesale Market Service Rate	\$/kWh	0.0053
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25
<b>General Service Less Than 50 kW</b>		
Service Charge	\$	50.33
Foregone Distribution Revenue Rate Rider – effective until April 30, 2009	\$	2.15
Distribution Volumetric Rate	\$/kWh	0.0145
Foregone Distribution Revenue Rate Rider – effective until April 30, 2009	\$/kWh	0.0007
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0040
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
Wholesale Market Service Rate	\$/kWh	0.0053
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25
<b>General Service 50 to 4,999kW</b>		
Service Charge	\$	243.37
Foregone Distribution Revenue Rate Rider – effective until April 30, 2009	\$	5.90
Distribution Volumetric Rate	\$/kW	3.8907
Foregone Distribution Revenue Rate Rider – effective until April 30, 2009	\$/kW	0.2183
Retail Transmission Rate – Network Service Rate	\$/kW	1.6462
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5469
Wholesale Market Service Rate	\$/kWh	0.0053
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25
<b>Unmetered Scattered Load</b>		
Service Charge (per connection)	\$	26.33
Foregone Distribution Revenue Rate Rider – effective until April 30, 2009	\$	1.40
Distribution Volumetric Rate	\$/kWh	0.0155
Foregone Distribution Revenue Rate Rider – effective until April 30, 2009	\$/kWh	0.0010
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0040
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
Wholesale Market Service Rate	\$/kWh	0.0053
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

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**Sentinel Lighting**

Service Charge (per connection)	\$	4.90
Foregone Distribution Revenue Rate Rider – effective until April 30, 2009	\$	0.88
Distribution Volumetric Rate	\$/kW	12.2817
Foregone Distribution Revenue Rate Rider – effective until April 30, 2009	\$/kW	2.2260
Retail Transmission Rate – Network Service Rate	\$/kW	1.2478
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2209
Wholesale Market Service Rate	\$/kWh	0.0053
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

**Street Lighting**

Service Charge (per connection)	\$	1.60
Foregone Distribution Revenue Rate Rider – effective until April 30, 2009	\$	0.22
Distribution Volumetric Rate	\$/kW	5.6166
Foregone Distribution Revenue Rate Rider – effective until April 30, 2009	\$/kW	0.8035
Retail Transmission Rate – Network Service Rate	\$/kW	1.2416
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1959
Wholesale Market Service Rate	\$/kWh	0.0053
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25

**Specific Service Charges**

Customer Administration

Arrears Certificate	\$	15.00
Statement of Account	\$	15.00
Pulling posted dated cheques	\$	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
Notification charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads	\$	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

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Collection of account charge – no disconnection – after regular hours	\$	165.00
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	\$	415.00
Disconnect/Reconnect 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	\$	30.00
Service call – after regular hours	\$	165.00

**Allowances**

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

**Loss Factor**

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0560
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0454
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A