



EB-2007-0546

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
Kashechewan Power Corporation for an order or orders
approving or fixing just and reasonable distribution rates
and other charges, to be effective May 1, 2007.

BEFORE: Paul Sommerville
Presiding Member

Paul Vlahos
Member

Ken Quesnelle
Member

DECISION AND ORDER

Kashechewan Power Corporation ("Kashechewan") is a licensed distributor providing electrical service to consumers within its licensed service area. Kashechewan filed an application with the Ontario Energy Board (the "Board") on March 29, 2007 for an order or orders approving or fixing just and reasonable rates for the distribution of electricity and other charges, to be effective May 1, 2007.

Kashechewan is one of 85 electricity distributors in Ontario that are regulated by the Board. To streamline the process for the approval of distribution rates and charges for these distributors, the Board issued its *Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors* (the "Report") on December 20, 2006. The Report contained the relevant guidelines for 2007 rate adjustments (the "guidelines") for distributors applying for rates only on the basis of the cost of capital and 2nd generation incentive regulation mechanism policies set out in the Report.

Public notice of Kashechewan's rate application was given through newspaper publication in Kashechewan's service area on May 3, 2007. The evidence filed as part of the rate application was made available to the public. Both Kashechewan and interested parties had the opportunity to file written submissions in relation to the rate application. The Board received no submissions. While the Board has considered the entire record in this rate application, it has made reference only to such evidence as is necessary to provide context to its findings.

Kashechewan's rate application was filed on the basis of the guidelines. In fixing new rates and charges for Kashechewan, the Board has applied the policies described in the Report.

After confirming the accuracy of the 2006 rate tariff and accompanying materials submitted in the rate application, the Board applied its approved price cap index adjustment to distribution rates (fixed and variable) uniformly across all customer classes. The price cap index is calculated as a price escalator less an X-factor of 1.0%, intended to represent input price and productivity trends. Based on the final 2006 data published by Statistics Canada, the Board has established the price escalator to be 1.9%. The resulting price cap index adjustment is therefore 0.9%.

The price cap index adjustment was not applied to the following components of the rates:

- the specific service charges; and
- the regulatory asset recovery rate rider.

The Board has made the necessary adjustments to Kashechewan's filed 2006 Tariff of Rates and Charges to produce a new Tariff of Rates and Charges. Because of the date of the filing of this application, the Board finds that the requested effective date of May 1, 2007 is not realistic. The Board, therefore, has made the rates effective date July 1, 2007. The Board finds the rates and charges in the Tariff of Rates and Charges attached as Appendix A to this decision to be just and reasonable.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix A of this order is approved, effective July 1, 2007, for electricity consumed or estimated to have been consumed on and after July 1, 2007.
2. The Tariff of Rates and Charges set out in Appendix A of this order supersedes all previous distribution rate schedules approved by the Ontario Energy Board for Kashechewan, and is final in all respects.
3. Kashechewan shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, June 27, 2007.

ONTARIO ENERGY BOARD

Original Signed By

Peter H. O'Dell
Assistant Board Secretary

Appendix A

EB-2007-0546

June 27, 2007

ONTARIO ENERGY BOARD

Kashechewan Power Corporation

TARIFF OF RATES AND CHARGES

Effective July 1, 2007

**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 Board-approved 2006 Electricity Distribution Rate Handbook or any other Licence conditions, Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this rate 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 a supply of power shall be made except as permitted by the approved 2006 Electricity Distribution Rate Handbook or any other Licence conditions, Codes, Guidelines or Orders 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 – July 1, 2007 for all consumption or deemed consumption services used on or after that date.
 SPECIFIC SERVICE CHARGES - July 1, 2007 for all charges incurred by customers on or after that date.
 LOSS FACTOR ADJUSTMENT – applied on all bills issued on or after July 1, 2007

SERVICE CLASSIFICATIONS

Residential

This classification applies to all customers not falling within the Commercial or Institutional classes.

General Service – Commercial

This classification applies to any commercial business or to an asset operated by Kashechewan First Nation that does not receive funding from the Government of Canada or the Province of Ontario

General Service – Institutional

This classification applies to any customer that receives funding from or is paid for by either the Government of Canada or the Province of Ontario.

MONTHLY RATES AND CHARGES

Residential

Distribution Volumetric Rate	\$/kWh	0.0202
Regulatory Asset Recovery	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0051
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service – Commercial

Distribution Volumetric Rate	\$/kWh	0.1689
Regulatory Asset Recovery	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Kashechewan Power Corporation

TARIFF OF RATES AND CHARGES

Effective July 1, 2007

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

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General Service – Institutional

Distribution Volumetric Rate	\$/kWh	0.2850
Regulatory Asset Recovery	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Specific Service Charges

Customer Administration		
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned Cheque (plus bank charges)	\$	45.00
Damaged Meter Charge	\$	150.00
Non-Payment of Account		
Disconnect/Reconnect Charges for non payment of account - At Meter During Regular Hours	\$	100.00

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer	1.0517
Total Loss Factor – Primary Metered Customer	1.0412