



EB-2007-0528

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 Fort Albany
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

Fort Albany Power Corporation ("Fort Albany") is a licensed distributor providing electrical service to consumers within its licensed service area. Fort Albany filed an application with the Ontario Energy Board (the "Board") on March 15, 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.

Fort Albany 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 Fort Albany's rate application was given through newspaper publication in Fort Albany's service area on April 19, 2007. The evidence filed as part of the rate application was made available to the public. Both Fort Albany 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.

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

The currently approved rate tariff for Fort Albany became effective on February 1, 2007. After confirming the accuracy of the currently approved 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;
- the regulatory asset recovery rate rider; and
- the smart meter rate adder (an amount in the fixed components of the rates associated with smart meter cost recovery).

Fort Albany's currently approved rates include an amount for smart meter costs and it has requested the continuation of this adder in this application. It is the Board's understanding that Fort Albany will not be undertaking any smart metering activity (i.e. discretionary metering activity) in 2007. The amount collected through the smart meter rate adder will be booked into the existing variance accounts, and retained in those accounts, to help fund future smart meter activity.

The Board has approved the continuation of an amount of \$0.21 per month per metered customer in the Residential and General Service – Commercial classes, and an amount of \$0.0001 per kWh in the General Service – Institutional class. Fort Albany's variance

accounts for smart meter program implementation costs, previously authorized by the Board, are continued. As the notice of this application indicated, the Board is holding a combined proceeding to consider, among other things, appropriate recovery of smart meter costs.

The Board has made the necessary adjustments to Fort Albany's currently approved Tariff of Rates and Charges to produce a new Tariff of Rates and Charges. Because the effective date for the current rates was February 1, 2007 and the filing for this application was made subsequent to that date, the Board finds that the requested effective date of May 1, 2007 is not realistic and, therefore, will make the new rates effective 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 Fort Albany, and is final in all respects.
3. Fort Albany 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-2007-0528

June 27, 2007

ONTARIO ENERGY BOARD

Fort Albany 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 Fort Albany 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

Service Charge	\$	20.42
Distribution Volumetric Rate	\$/kWh	0.0213
Regulatory Asset Recovery	\$/kWh	(0.0020)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0046
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
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

Service Charge	\$	34.55
Distribution Volumetric Rate	\$/kWh	0.0217
Regulatory Asset Recovery	\$/kWh	(0.0020)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0042
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Fort Albany 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	0.2144
Regulatory Asset Recovery	\$/kWh	(0.0020)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0042
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
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		
Returned Cheque (plus bank charges)	\$	45.00
Meter Replacement Charge	\$	150.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Disconnect/Reconnect Charges for non payment of account - At Meter During Regular Hours	\$	100.00
Specific Charge for Access to Power Poles – per pole/year	\$	22.35

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer	1.0385
Total Loss Factor – Primary Metered Customer	1.0281