



EB-2007-0666

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 Terrace Bay
Superior Wires Inc. for an order or orders approving or
fixing just and reasonable distribution rates and other
charges.

BEFORE: Bill Rupert
Presiding Member

Cynthia Chaplin
Member

DECISION AND ORDER

Terrace Bay Superior Wires Inc. (“TBSW” or the “Applicant”) is a licensed distributor providing electrical service to consumers within its licensed service area. TBSW filed on June 21, 2007 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 charges. Specifically, TBSW has applied to the Board for approval of a change to its distribution rates with respect to the following:

1. Immediate cessation of the Retail Transmission Service – Line and Connection (“RTS – Line & Connection”) charge for all customer classes, on the basis that Hydro One Networks Inc. (“Hydro One Networks”) has ceased charging TBSW for Retail Transmission Services for line and connection charges as a result of a review of the network services used to connect TBSW to the IESO-controlled grid; and

2. Consideration of a proposal by Hydro One Networks for refunding of RTS – Line & Connection charges collected since May 1, 2002 to TBSW's ratepayers.

TBSW has requested that the Application be considered by way of a written hearing.

On June 29, 2007, TBSW filed a letter regarding this Application whereby TBSW requested approval for cessation of the RTS – Line & Connection charge at the Board's earliest convenience.

The Board wishes to deal with the request for immediate cessation of the RTS – Line & Connection charge. On July 16, 2007, TBSW filed a letter consenting to disposition of this part of the Application without a hearing, pursuant to ss. 21.4(b) of the Ontario Energy Board Act, on the basis that no party is adversely affected in a material way.

The RTS – Line & Connection charge recovers charges that the upstream electricity transmitter assesses the distributor for high voltage transmission equipment and services used to supply electricity from the IESO-controlled grid to the distributor and, ultimately, end consumers. Retail Transmission Charges are a "pass-through" rate; differences between the amount charged to the distributor and what it collects from its customers are booked in a variance account and subject to review and disposition by the Board.

In the Application, TBSW has noted that Hydro One Networks Inc. ceased charging TBSW the RTS – Line & Connections charges as of March 8, 2007, since it has determined that the network configuration by which TBSW is served should not attract this charge. Since then, TBSW has continued to charge its ratepayers the Board-approved Retail Transmission Charges. However, since TBSW is no longer being charged by Hydro One Networks Inc., this is leading to an accumulation in the Retail Settlement Variance Account 1586.

The Board concurs with TBSW that continued collection of the RTS – Line & Connection charge from its ratepayers when it is no longer being charged the amount by Hydro One Networks Inc., is not in the public interest. The amounts are subject to true-up, and possibly refunding to ratepayers, upon disposition, but continuing to collect increases the possibility of unintended consequences, such as increased administration

and possible intergenerational inequity. More importantly, TBSW's ratepayers are currently paying more than is necessary.

Cessation of the RTS – Line & Connection charge would result in a bill reduction for all ratepayers served by TBSW. The Board estimates that this reduction would be in the range of 3% to 4% depending on the customer's consumption. The Board agrees with TBSW that no party is materially affected in an adverse way and therefore approves the cessation of the RTS – Line & Connection charge.

The Board will consider the other aspect of TBSW's application in whole by way of a written hearing. Further information will be communicated in due course.

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 20, 2007, for electricity consumed or estimated to have been consumed on and after July 20, 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 Terrace Bay, and is final in all respects.
3. Terrace Bay shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, July 18, 2007.

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

APPENDIX A

EB-2007-0666

July 18, 2007

ONTARIO ENERGY BOARD

Terrace Bay Superior Wires Inc.

TARIFF OF RATES AND CHARGES

Effective July 20, 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 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 – July 20, 2007 for all consumption or deemed consumption services used on or after that date.
SPECIFIC SERVICE CHARGES – July 20, 2007 for all charges incurred by customers on or after that date.
LOSS FACTOR ADJUSTMENT – July 20, 2007 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

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 50 kW

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 4,999 kW

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.

Street Lighting

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.

Terrace Bay Superior Wires Inc.

TARIFF OF RATES AND CHARGES

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MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	20.81
Distribution Volumetric Rate	\$/kWh	0.0145
Regulatory Asset Recovery	\$/kWh	0.0097
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0051
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0000
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 Less Than 50 kW

Service Charge	\$	41.34
Distribution Volumetric Rate	\$/kWh	0.0118
Regulatory Asset Recovery	\$/kWh	0.0082
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0000
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 50 to 4,999 kW

Service Charge	\$	293.24
Distribution Volumetric Rate	\$/kW	4.0020
Regulatory Asset Recovery	\$/kW	2.2726
Retail Transmission Rate – Network Service Rate	\$/kW	1.9115
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.0000
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Unmetered Scattered Load

Service Charge (per connection)	\$	20.53
Distribution Volumetric Rate	\$/kWh	0.0129
Regulatory Asset Recovery	\$/kWh	0.0082
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0000
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lighting

Service Charge (per connection)	\$	1.36
Distribution Volumetric Rate	\$/kW	4.2190
Regulatory Asset Recovery	\$/kW	2.9480
Retail Transmission Rate – Network Service Rate	\$/kW	1.4416
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.0000
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Terrace Bay Superior Wires Inc.

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Specific Service Charges

Customer Administration		
Arrears Certificate	\$	15.00
Statement of Account	\$	15.00
Pulling post-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
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
Collection of account charge – no disconnection	\$	30.00
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	\$	185.00
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
Temporary service install and remove – overhead – no transformer	\$	500.00
Temporary service install and remove – underground – no transformer	\$	300.00
Temporary service install and remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(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	1.0426
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0321
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045