



EB-2007-0507

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 Barrie
Hydro Distribution Inc. 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

Barrie Hydro Distribution Inc. ("Barrie Hydro") is a licensed distributor providing electrical service to consumers within its licensed service area. Barrie Hydro filed an 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, to be effective May 1, 2007.

Barrie Hydro 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 Barrie Hydro's rate application was given through newspaper publication in Barrie Hydro's service area. The evidence filed as part of the rate application was made available to the public. Both Barrie Hydro 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.

Barrie Hydro's rate application was filed on the basis of the guidelines. In fixing new rates and charges for Barrie Hydro, 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 large corporation tax allowance that was included in 2006 rates was removed prior to the application of the price cap index adjustment.

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).

Barrie Hydro requested an amount for smart meter costs. The Board has approved an amount of \$0.27 per month per metered customer. Barrie Hydro's variance accounts for smart meter program implementation costs, previously authorized by the Board, are

continued. It is the Board's understanding that Barrie Hydro 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. As the notice of this application indicated, the Board will be holding a combined proceeding to consider, among other things, appropriate recovery of smart meter costs.

Barrie Hydro's standby rates were approved as interim by the Board in its 2006 distribution rates order. The Board is still examining the issues related to standby rates, and is not in a position to make a final order for these rates at this time. The standby rates will be adjusted by the price cap index but remain interim.

The Board has made the necessary adjustments to Barrie Hydro's filed 2006 Tariff of Rates and Charges to produce a new Tariff of Rates and Charges to be effective May 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 May 1, 2007, for electricity consumed or estimated to have been consumed on and after May 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 Barrie Hydro, and is final in all respects, except for the standby rates which are approved as interim.
3. Barrie Hydro shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, April 12, 2007.

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

Appendix A

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April 12, 2007

ONTARIO ENERGY BOARD

Barrie Hydro Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective May 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 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, 2007 for all consumption or deemed consumption services used on or after that date.
SPECIFIC SERVICE CHARGES - May 1, 2007 for all charges incurred by customers on or after that date.
LOSS FACTOR ADJUSTMENT – May 1, 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 refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units duplexes or triplexes. Supply will be limited up to a maximum of 200 amp @ 240/120 volt. Further servicing details are available in the utility's Conditions of Service.

General Service Less Than 50 kW

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the utility's Conditions of Service.

General Service 50 to 4,999 kW

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is expected to be equal to or greater than 50 kW but less than 5000 kW. Further servicing details are available in the utility's Conditions of Service.

General Service 50 to 4,999 kW TOU

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is expected to be equal to or greater than 50 kW but less than 5000 kW and who has an electrical service of at least 600 amps at 600/347 volts or 1600 amps at 208/120 volts. If the customer meets these criteria then an interval meter is required. Further servicing details are available in the utility's Conditions of Service.

Large Use

This classification refers to an account whose monthly average peak demand is equal to or greater than or is expected to be equal to or greater than 5000 kW. Further servicing details are available in the utility's Conditions of Service.

Unmetered Scattered Load

This classification refers to a non-residential account taking electricity at 240/120 or 120 volts whose monthly peak demand is less than or expected to be less than 50 kW. As determined by Barrie Hydro Distribution Inc. because of the type of connection or location a meter is not feasible in these situations. A detailed calculation of the load will be calculated for billing purposes. Further servicing details are available in the utility's Conditions of Service.

Standby Power

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service.

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Street Lighting

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or the Ministry of Transportation. This lighting will be controlled by photocells. The consumption for these customers will be based on the calculated connected load times as established in the approved OEB Street Lighting Load Shape Template. Further servicing details are available in the utility's Conditions of Service.

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	14.72
Distribution Volumetric Rate	\$/kWh	0.0138
Regulatory Asset Recovery	\$/kWh	0.0033
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
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	\$	14.59
Distribution Volumetric Rate	\$/kWh	0.0154
Regulatory Asset Recovery	\$/kWh	0.0020
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
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	\$	358.12
Distribution Volumetric Rate	\$/kW	1.7519
Regulatory Asset Recovery	\$/kW	0.6923
Retail Transmission Rate – Network Service Rate	\$/kW	2.0459
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7796
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 Time of Use

Service Charge	\$	358.12
Distribution Volumetric Rate	\$/kW	1.7519
Regulatory Asset Recovery	\$/kW	0.6923
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.7159
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.3624
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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Large Use

Service Charge	\$	8,746.58
Distribution Volumetric Rate	\$/kW	0.5340
Regulatory Asset Recovery	\$/kW	0.0000
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.7233
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.3689
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)	\$	7.16
Distribution Volumetric Rate	\$/kWh	0.0154
Regulatory Asset Recovery	\$/kWh	0.0021
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Standby Power – APPROVED ON AN INTERIM BASIS

Standby Charge – for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of generation facility).	\$/kW	2.6171
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Street Lighting

Service Charge (per connection)	\$	0.31
Distribution Volumetric Rate	\$/kW	1.4678
Regulatory Asset Recovery	\$/kW	0.2019
Retail Transmission Rate – Network Service Rate	\$/kW	1.6161
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4057
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		
Arrears Certificate	\$	15.00
Easement Letter	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	15.00
Returned Cheque (plus bank charges)	\$	15.00
Meter dispute charge plus Measure ment 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	\$	15.00
Disconnect/Reconnect at Meter - during Regular Hours	\$	30.00
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

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Service Call – customer owned equipment – charge based on time and materials	\$
Service Call – after regular hours – charge based on time and materials	\$
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	1.0510
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0405
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045