



EB-2007-0508

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 Bluewater
Power Distribution 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

Bluewater Power Distribution Corporation (“Bluewater”) is a licensed distributor providing electrical service to consumers within its licensed service area. Bluewater 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.

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

Bluewater's rate application was filed on the basis of the guidelines. In fixing new rates and charges for Bluewater, 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 2006-approved Conservation and Demand Management funding that was included as a component of the 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).

Bluewater requested an amount for smart meter costs. The Board has approved an amount of \$0.26 per month per metered customer. Bluewater's variance accounts for smart meter program implementation costs, previously authorized by the Board, are

continued. It is the Board's understanding that Bluewater 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.

The Board has made the necessary adjustments to Bluewater'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 Bluewater, and is final in all respects.
3. Bluewater 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

EB-2007-0508

April 12, 2007

ONTARIO ENERGY BOARD

Bluewater Power Distribution Corp.

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 Customers

This classification applies to single-family dwelling units for domestic or household purposes shall be classed as residential service. A residential customer may be found in a detached, semi-detached, linear row housing, apartment building, or mixed-use building. Where electricity service is provided for combined residential and business purposes (including agricultural usage) and the wiring does not provide for separate metering, the classification shall be in the discretion of Bluewater Power Distribution Corporation ("BPDC") and shall be based on such considerations as the estimated predominant consumption or the municipal tax roll classification. Where more than one dwelling is served by a single meter, that service shall be considered a General Service Customer

General Service Less Than 50 kW

This classification applies to a customer not designated as Residential, and that over a twelve month period has, or is forecast to have, an average monthly peak demand less than 50 kW, and has a monthly peak demand that never exceeds 100 kW. BPDC shall review this rate class designation on an annual basis and the customer's designated rate class may change as a result.

General Service 50 to 999 kW

This classification applies to a customer not designated as Residential, and that over a twelve month period has, or is forecast to have, an average monthly peak demand equal to or greater than 50 kW and less than 1,000 kW. This rate class designation is reviewed on an annual basis and the customer's designated rate class may change as a result.

General Service 1,000 to 4,999 kW

This classification applies to a customer not designated Residential, and that: over a twelve month period has, or is forecast to have, an average monthly peak demand equal to or greater than 1,000 kW and less than 5,000 kW. This rate class designation is reviewed on an annual basis and the customer's designated rate class may change as a result.

Large Use

This classification applies to a customer not designated as Residential, and that over 12 consecutive billing periods has, or is forecast to have, an average monthly peak demand equal to or greater than 5,000 kW. This rate class designation is reviewed on an annual basis and the customer's designated rate class may change as a result.

Unmetered Scattered Load

This classification applies to an account 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 BPDC and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption.

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Sentinel Lighting

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light.

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.

MONTHLY RATES AND CHARGES**Residential**

Service Charge	\$	13.90
Distribution Volumetric Rate	\$/kWh	0.0117
Regulatory Asset Recovery	\$/kWh	0.0068
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	\$	25.42
Distribution Volumetric Rate	\$/kWh	0.0128
Regulatory Asset Recovery	\$/kWh	0.0022
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 999 KW

Service Charge	\$	330.82
Distribution Volumetric Rate	\$/kW	1.6241
Regulatory Asset Recovery	\$/kW	0.2300
Retail Transmission Rate – Network Service Rate	\$/kW	2.1218
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7882
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 1,000 to 4,999 kW

Service Charge	\$	3,084.55
Distribution Volumetric Rate	\$/kW	1.5252
Regulatory Asset Recovery	\$/kW	(0.6980)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2535
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9603
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	\$	18,021.42
Distribution Volumetric Rate	\$/kW	1.1431
Regulatory Asset Recovery	\$/kW	(0.1287)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.4952
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.2417
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)	\$	12.58
Distribution Volumetric Rate	\$/kWh	0.0128
Regulatory Asset Recovery	\$/kWh	0.0052
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

Sentinel Lighting

Service Charge (per connection)	\$	1.81
Distribution Volumetric Rate	\$/kW	4.8230
Regulatory Asset Recovery	\$/kW	3.2763
Retail Transmission Rate – Network Service Rate	\$/kW	1.6083
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4113
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)	\$	1.37
Distribution Volumetric Rate	\$/kW	3.7378
Regulatory Asset Recovery	\$/kW	(1.0840)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6002
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3824
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		
Duplicate invoices for previous billing	\$	15.00
Income tax letter	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	10.00
Returned Cheque charge (plus bank charges)	\$	15.00
Special meter reads	\$	30.00

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Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect Charge - At Meter During Regular Hours	\$	65.00
Disconnect/Reconnect Charge - At Meter After Hours	\$	185.00
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	1.0446
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0342
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045