



EB-2007-0533

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 Grimsby
Power Incorporated 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

Grimsby Power Incorporated (“Grimsby Power”) is a licensed distributor providing electrical service to consumers within its licensed service area. Grimsby Power 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.

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

Grimsby Power's rate application was filed on the basis of the guidelines. In fixing new rates and charges for Grimsby Power, 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;
- 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).

Grimsby Power requested an amount of \$1.00 for smart meter costs. Regulation 153/07 under the *Electricity Act, 1998*, which amends regulation 427/06 under the same Act, was filed on April 10, 2007. As a result, it is the Board's understanding that Grimsby Power will not be undertaking any smart metering activity (i.e. discretionary metering activity) in 2007.

However, the Board has approved an amount of \$0.27 per month per metered customer to be collected through a smart meter rate adder. This nominal funding amount was calculated using the Board's model for inactive distributors, as described in the Smart Metering Rates Addendum to the Report. 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.

Grimsby Power'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 Grimsby Power'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 Grimsby Power, and is final in all respects, except for the standby rates which are approved as interim.
3. Grimsby Power 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-2007-0533

April 12, 2007

ONTARIO ENERGY BOARD

Grimsby Power Incorporated

TARIFF OF RATES AND CHARGES

Effective May 1, 2007

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

EB-2007-0533

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 class refers to the supply of electricity to residential customers residing in detached or semi-detached dwelling units, as defined in the local zoning by-law. **Residential Service** – means a service which is less than 50kW supplied to single-family dwelling units that is for domestic or household purposes, including seasonal occupancy. At Grimsby Power's discretion, residential rates may be applied to apartment buildings with 6 or less units by simple application of the residential rate or by blocking the residential rate by the number of units.

General Service Less Than 50 kW

This classification applies to a non-residential customer that is identified by the billing system as registering under 50 kW on a demand meter in any one month of the year.

General Service 50 to 4,999 kW

This classification applies to a non-residential customer that is identified by the billing system as registering equal to or over 50 kW on a demand meter in any one month of the year.

Standby Power – Approved on an Interim Basis

This classification applies to an account that has load displacement generation and requires Grimsby Power to provide back-up service. The same rates as the General Service 50kW to 4,999kW are used, except that the billing determinant is based on the name plate rating of the transformer to reflect the fact that Grimsby Power maintains the potential from its system for the desired maximum load.

Unmetered Scattered Load

This classification applies to electricity consumption that is not metered and is billed based on estimated usage. Such connections include street lighting equipment not owned by or operated for a municipality or the Province of Ontario, traffic signals and other small services etc.

Street Lighting

All services to street lighting equipment owned by or operated for a municipality or the Province of Ontario shall be classified as Street lighting Service.

Grimsby Power Incorporated

TARIFF OF RATES AND CHARGES

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EB-2007-0533

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	15.51
Distribution Volumetric Rate	\$/kWh	0.0093
Regulatory Asset Recovery	\$/kWh	0.001
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0052
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	\$	26.04
Distribution Volumetric Rate	\$/kWh	0.0107
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047
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	\$	166.70
Distribution Volumetric Rate	\$/kW	1.7137
Regulatory Asset Recovery	\$/kW	(0.1467)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2250
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8598
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.2535
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/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

Unmetered Scattered Load

Service Charge (per connection)	\$	12.88
Distribution Volumetric Rate	\$/kWh	0.0107
Regulatory Asset Recovery	\$/kWh	0.0031
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047
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)	\$	0.66
Distribution Volumetric Rate	\$/kW	3.4827
Regulatory Asset Recovery	\$/kW	(0.6448)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6780
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4377
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Grimsby Power Incorporated

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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
Easement Letter	\$	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
Interval Meter Interrogation	\$	20.00
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 Charges at Meter – During Regular Hours	\$	65.00
Disconnect/Reconnect Charges at Meter – After Regular Hours	\$	185.00
Disconnect/Reconnect Charges at Pole– During Regular Hours	\$	185.00
Disconnect/Reconnect Charges at Pole – After Regular Hours	\$	415.00
Service Call – Customer-owned Equipment	\$	30.00
Service Call – After Regular Hours	\$	165.00
Install/Remove Load Control Device – During Regular Hours	\$	65.00
Install/Remove Load Control Device – After Regular Hours	\$	185.00
Temporary Service Install & Remove – Overhead – No Transformer	\$	500.00
Temporary Service Install & Remove – Underground – No Transformer	\$	300.00
Temporary Service Install & 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	1.0502
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0397
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A