



**EB-2007-0534**

**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 Guelph  
Hydro Electric Systems 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**

Guelph Hydro Electric Systems Inc. ("Guelph Hydro") is a licensed distributor providing electrical service to consumers within its licensed service area. Guelph 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.

Guelph 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 2<sup>nd</sup> 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 2<sup>nd</sup> generation incentive regulation mechanism policies set out in the Report.

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

Guelph Hydro's rate application was filed on the basis of the guidelines. In fixing new rates and charges for Guelph 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 component 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).

Guelph Hydro requested an amount of \$0.59 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 Guelph Hydro 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.

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

EB-2007-0534

April 12, 2007

ONTARIO ENERGY BOARD

# **Guelph Hydro Electric Systems 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**

EB-2007-0534

#### **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.

# **Guelph Hydro Electric Systems Inc.**

**(excluding the service area formerly served by Wellington Electric Distribution Company)**

#### **SERVICE CLASSIFICATIONS: GUELPH HYDRO ELECTRIC SYSTEMS INC.**

##### **Residential**

This classification includes accounts taking electricity at 750 volts or less where the electricity is used exclusively in a separately 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.

##### **General Service Less Than 50 kW**

This classification includes non residential accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW.

##### **General Service 50 to 999 kW**

This classification includes non residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

- General Service 50 to 999 kW non-interval metered
- General Service 50 to 999 kW interval metered

##### **General Service 1,000 to 4,999 kW**

This classification includes non residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 1,000 kW but less than 5,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

- General Service 1,000 to 4,999 kW non-interval metered
- General Service 1,000 to 4,999 kW interval metered

##### **Large Use**

This classification refers to an account where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW.

# Guelph Hydro Electric Systems 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**

EB-2007-0534

**Unmetered Scattered Load**

This classification includes accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer provides detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed load.

**Sentinel Lighting**

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

**Street Lighting**

This classification is for roadway lighting with the Municipality. The consumption for this customer is 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: GUELPH HYDRO ELECTRIC SYSTEMS INC.****Residential**

Service Charge	\$	13.54
Distribution Volumetric Rate	\$/kWh	0.0178
Regulatory Asset Recovery	\$/kWh	0.0006
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0058
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	\$	11.11
Distribution Volumetric Rate	\$/kWh	0.0201
Regulatory Asset Recovery	\$/kWh	0.0001
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
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	\$	230.63
Distribution Volumetric Rate	\$/kW	2.6771
Regulatory Asset Recovery	\$/kW	0.0079
Retail Transmission Rate – Network Service Rate	\$/kW	2.1761
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8569
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.2574
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.9263
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Guelph Hydro Electric Systems 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**

EB-2007-0534

#### General Service 1,000 to 4,999 kW

Service Charge	\$	613.56
Distribution Volumetric Rate	\$/kW	2.0791
Regulatory Asset Recovery	\$/kW	(0.1613)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2574
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9263
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.2574
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.9263
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### Large Use

Service Charge	\$	897.96
Distribution Volumetric Rate	\$/kW	1.8811
Regulatory Asset Recovery	\$/kW	(0.1603)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.7260
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.3261
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)	\$	5.42
Distribution Volumetric Rate	\$/kWh	0.0201
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
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)	\$	6.46
Distribution Volumetric Rate	\$/kW	5.9597
Regulatory Asset Recovery	\$/kW	0.4049
Retail Transmission Rate – Network Service Rate	\$/kW	1.6662
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4217
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)	\$	0.14
Distribution Volumetric Rate	\$/kW	0.7927
Regulatory Asset Recovery	\$/kW	(0.1292)
Retail Transmission Rate – Network Service Rate	\$/kW	2.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7106
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge (if applicable)	\$	0.25

# Guelph Hydro Electric Systems 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**

EB-2007-0534

#### Specific Service Charges

Customer Administration		
Returned Cheque (plus bank charges)	\$	8.55
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	8.75
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	10.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	9.00
Disconnect/Reconnect at Meter – during regular hours	\$	20.00
Disconnect/Reconnect at Meter - after regular hours	\$	50.00
Disconnect/Reconnect at Pole – during regular hours	\$	50.00
Disconnect/Reconnect at Pole – after regular hours	\$	95.00
Service Call – customer-owned equipment	\$	17.50
Service Call – after regular hours	\$	95.00
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	1.0319
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0216
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045

## Guelph Hydro – Rockwood Division

(the service area formerly supplied by Wellington Electric Distribution Company)

#### SERVICE CLASSIFICATIONS: GUELPH HYDRO – ROCKWOOD DIVISION

##### Residential

This classification includes accounts taking electricity at 750 volts or less where the electricity is used exclusively in a separately 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.

##### General Service Less Than 50 kW

This classification includes non residential accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW.

##### General Service 50 to 4,999 kW

This classification includes non residential accounts where monthly average peak demand 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 includes accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc.



# Guelph Hydro Electric Systems 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**

EB-2007-0534

**Sentinel Lighting**

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

**Street Lighting**

This classification includes roadway lighting with the Municipality. The consumption for this customer is based on the calculated connected load times and the required lighting times.

**MONTHLY RATES AND CHARGES: GUELPH HYDRO – ROCKWOOD DIVISION****Residential**

Service Charge	\$	14.17
Distribution Volumetric Rate	\$/kWh	0.0134
Regulatory Asset Recovery	\$/kWh	0.0029
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0061
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	\$	17.45
Distribution Volumetric Rate	\$/kWh	0.0181
Regulatory Asset Recovery	\$/kWh	0.0028
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0056
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	\$	275.06
Distribution Volumetric Rate	\$/kW	9.7422
Regulatory Asset Recovery	\$/kW	1.7096
Retail Transmission Rate – Network Service Rate	\$/kW	2.2738
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8568
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 customer)	\$	17.45
Distribution Volumetric Rate	\$/kWh	0.0181
Regulatory Asset Recovery	\$/kWh	0.0028
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0056
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

# Guelph Hydro Electric Systems 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**

EB-2007-0534

**Sentinel Lighting**

Service Charge (per connection)	\$	1.29
Distribution Volumetric Rate	\$/kW	5.5744
Regulatory Asset Recovery	\$/kW	0.1951
Retail Transmission Rate – Network Service Rate	\$/kW	1.7235
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4655
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)	\$	0.48
Distribution Volumetric Rate	\$/kW	3.6798
Regulatory Asset Recovery	\$/kW	1.1390
Retail Transmission Rate – Network Service Rate	\$/kW	1.7148
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4355
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
Returned Cheque (plus bank charges)	\$	9.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	9.50
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	9.00
Disconnect/Reconnect at Pole – during regular hours	\$	185.00
Install/Remove load control device – during regular hours	\$	20.00
Service Call – after regular hours	\$	95.00
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	1.0847
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0738