



**EB-2007-0535**

**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 Haldimand  
County Hydro 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**

Haldimand County Hydro Inc. ("HCHI") is a licensed distributor providing electrical service to consumers within its licensed service area. HCHI 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.

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

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

HCHI requested an amount for smart meter costs. The Board has approved an amount of \$0.26 per month per metered customer. HCHI's variance accounts for smart meter program implementation costs, previously authorized by the Board, are continued. It is the Board's understanding that HCHI 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 HCHI'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 HCHI, and is final in all respects.
3. HCHI 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-2007-0535

April 12, 2007

ONTARIO ENERGY BOARD

# Haldimand County Hydro 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-2007-0535

#### 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

##### Urban Density

Urban Density is an area containing 100 or more customers with a line density of at least 15 customers per kilometre.

##### Suburban Density

Suburban Density is an area that is not Urban Density.

##### Residential

This classification applies to a customer's main place of abode and may include additional buildings served through the same meter, provided they are not rental income units. Residential includes Urban, Suburban and Farm customer's premises which can be occupied on a year-round and seasonal basis. Farm applies to properties actively engaged in agricultural production as defined by Statistics Canada. These premises must be supplied from a single phase primary line. The farm definition does not include tree, sod, or pet farms. Services to year-round pumping stations or other ancillary services remote from the main farm shall be classed as farm.

##### General Service

General Service does include farms supplied from polyphase primary lines. General Service includes commercial, industrial, educational, administrative, auxiliary and government services. It also includes combination services where a variety of uses are made of the service by the owner of one property.

##### General Service Less Than 50 kW

This classification applies to a non residential account 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. 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 1,000 kW non-interval metered
- General Service 50 to 1,000 kW interval metered
- General Service greater than 1,000 to 5,000 kW interval metered.

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#### **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.

#### **Sentinel Lighting**

This classification refers to an account that is an unmetered lighting load supplied to a sentinel light. (Metered sentinel lighting is captured under the consumption of the principal service.) The consumption for these customers is assumed to have the same hourly consumption load profile as for Street Lighting.

#### **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.

#### **Embedded Distributor**

This classification applies to Norfolk Power, an electricity distributor licensed by the Board, that is provided electricity by means of Haldimand County Hydro's facilities.

## **MONTHLY RATES AND CHARGES**

### **Residential Urban**

Service Charge	\$	11.27
Distribution Volumetric Rate	\$/kWh	0.0318
Regulatory Asset Recovery	\$/kWh	0.0009
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
SSS – Administrative Charge (if applicable)	\$	0.25

### **Residential Suburban**

Service Charge	\$	11.76
Distribution Volumetric Rate	\$/kWh	0.0320
Regulatory Asset Recovery	\$/kWh	(0.0016)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
SSS – Administrative Charge (if applicable)	\$	0.25

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

Service Charge	\$	18.58
Distribution Volumetric Rate	\$/kWh	0.0231
Regulatory Asset Recovery	\$/kWh	(0.0023)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0046
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
SSS – Administrative Charge (if applicable)	\$	0.25

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

Service Charge	\$	34.38
Distribution Volumetric Rate	\$/kW	6.1187
Regulatory Asset Recovery	\$/kW	(1.1627)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8794
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5400
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.9936
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.7020
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
SSS – Administrative Charge (if applicable)	\$	0.25

#### Unmetered Scattered Load

Service Charge (per connection)	\$	9.16
Distribution Volumetric Rate	\$/kWh	0.0239
Regulatory Asset Recovery	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0046
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
SSS – Administrative Charge (if applicable)	\$	0.25

#### Sentinel Lighting

Service Charge (per connection)	\$	1.74
Distribution Volumetric Rate	\$/kW	4.7579
Regulatory Asset Recovery	\$/kW	(2.0665)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4245
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2154
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
SSS – Administrative Charge (if applicable)	\$	0.25

#### Street Lighting

Service Charge (per connection)	\$	1.53
Distribution Volumetric Rate	\$/kW	4.1662
Regulatory Asset Recovery	\$/kW	(1.6113)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4174
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1906
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
SSS – Administrative Charge (if applicable)	\$	0.25

#### Embedded Distributor

Monthly Distribution Wheeling Service Rate – Norfolk Power	\$/kW	0.6288
Retail Transmission Rate – Network Service Rate – Norfolk Power	\$/kW	2.9091
Retail Transmission Rate – Line and Transformation Connection Service Rate – Norfolk Power	\$/kW	2.4973

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#### Specific Service Charges

Customer Administration		
Legal letter charge	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned Cheque (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	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
Disconnect/Reconnect Charge - At Meter During Regular Hours	\$	65.00
Disconnect/Reconnect Charge - 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
Temporary service install & remove – overhead – no transformer	\$	500.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Bell Canada Pole Rentals	\$	18.08
Norfolk Pole Rentals – Billed	\$	28.61
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	1.0565
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0460
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Embedded Distributor - Norfolk Power	1.0253