



**EB-2007-0544**

**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 Hydro  
Ottawa Limited 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**

Hydro Ottawa Limited (“Hydro Ottawa”) is a licensed distributor providing electrical service to consumers within its licensed service area. Hydro Ottawa 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.

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

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

Hydro Ottawa requested an amount for smart meter costs. The Board has approved an amount of \$1.74 per month per metered customer. Hydro Ottawa's variance accounts for smart meter program implementation costs, previously authorized by the Board, are continued. 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.

Hydro Ottawa'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 Hydro Ottawa'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 Hydro Ottawa, and is final in all respects, except for the standby rates which are approved as interim.
3. Hydro Ottawa 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-2007-0544

April 12, 2007

ONTARIO ENERGY BOARD

# Hydro Ottawa Limited

## 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 includes accounts taking electricity at 120/240 volts single phase 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 refers to non residential accounts taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than 50 kW.

##### **General Service 50 to 1,499 kW**

This classification refers to non residential accounts whose 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 1,500 kW.

##### **General Service 1,500 to 4,999 kW**

This classification refers to non residential accounts whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 1,500 kW but less than 5,000 kW.

##### **Large Use**

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

##### **Unmetered Scattered Load**

This classification includes accounts taking electricity at 120/240 volts single phase whose 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 will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Qualification for this classification is at the discretion of Hydro Ottawa as defined in its Conditions of Service.

##### **Standby Power**

This classification refers to an account that has Load Displacement Generation equal to or greater than 500 kW and requires the distributor to provide back-up service.

##### **Sentinel Lighting**

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

# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

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#### **Street Lighting**

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting controlled by photocells. The consumption for these customers 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**

#### **Residential**

Service Charge	\$	9.24
Distribution Volumetric Rate	\$/kWh	0.0183
Regulatory Asset Recovery	\$/kWh	0.0013
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0038
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	\$	10.30
Distribution Volumetric Rate	\$/kWh	0.0180
Regulatory Asset Recovery	\$/kWh	0.0010
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0035
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 1,499 kW**

Service Charge	\$	249.13
Distribution Volumetric Rate	\$/kW	2.5463
Regulatory Asset Recovery	\$/kW	0.6098
Retail Transmission Rate – Network Service Rate	\$/kW	2.1676
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4373
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 1,500 to 4,999 kW**

Service Charge	\$	3,979.63
Distribution Volumetric Rate	\$/kW	2.3357
Regulatory Asset Recovery	\$/kW	(0.3146)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2508
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5360
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	\$	14,448.42
Distribution Volumetric Rate	\$/kW	2.5918
Regulatory Asset Recovery	\$/kW	(0.4299)
Retail Transmission Rate – Network Service Rate	\$/kW	2.4952
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7297
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)	\$	4.28
Distribution Volumetric Rate	\$/kWh	0.0191
Regulatory Asset Recovery	\$/kWh	0.0008
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0035
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**

Service Charge	\$	95.41
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):		
General Service 50 to 1,499 kW customer	\$/kW	1.2732
General Service 1,500 to 4,999 kW customer	\$/kW	1.1679
General Service Large Use customer	\$/kW	1.2960

**Sentinel Lighting**

Service Charge (per connection)	\$	1.68
Distribution Volumetric Rate	\$/kW	6.3974
Regulatory Asset Recovery	\$/kW	(0.6224)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6083
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.0900
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)	\$	0.32
Distribution Volumetric Rate	\$/kW	2.4671
Regulatory Asset Recovery	\$/kW	(0.3882)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6002
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.0677
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Hydro Ottawa Limited

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#### Specific Service Charges

Customer Administration		
Arrears Certificate	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	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
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 at meter – during regular hours	\$	65.00
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
Temporary Service install & remove – overhead – no transformer	\$	500.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Dry core transformer distribution charge		As per Attached Table
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.45)
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	1.0344
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0170
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0240
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0069



# Hydro Ottawa Limited

## TARIFF OF RATES AND CHARGES

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### Dry Core Transformer Losses

Transformers	No Load Loss (W)	Load Loss (W)	Monthly No Load Loss (kW)	Monthly No Load Loss (kWh)	Monthly No Load Loss (kW)	Monthly No Load Loss (kWh)	Monthly Total Loss (kW)	Monthly Total Loss (kWh)	Cost of Transmission (per kW)	Cost of Energy and Wholesale Market (per kWh)	Total Monthly cost of power	Cost of Distribution (per kW)
Rates									\$2.60	\$0.0642	na	\$2.61
25 KVA 1 PH	150	900	0.113	82	0.480	9	0.161	91	\$0.42	\$5.84	\$6.26	\$0.42
37.5 KVA 1 PH	200	1200	0.150	110	0.064	12	0.214	121	\$0.56	\$7.77	\$8.33	\$0.56
50 KVA 1 PH	250	1600	0.188	137	0.086	16	0.273	152	\$0.71	\$9.76	\$10.47	\$0.71
75 KVA 1 PH	350	1900	0.263	192	0.102	18	0.364	210	\$0.95	\$13.48	\$14.43	\$0.95
100 KVA 1 PH	400	2600	0.300	219	0.139	25	0.439	244	\$1.15	\$15.66	\$16.81	\$1.15
150 KVA 1 PH	525	3500	0.394	287	0.187	34	0.581	321	\$1.52	\$20.61	\$22.12	\$1.52
167 KVA 1 PH	650	4400	0.488	356	0.236	43	0.723	399	\$1.89	\$25.62	\$27.50	\$1.89
200 KVA 1 PH	696	4700	0.522	381	0.252	46	0.774	427	\$2.02	\$27.41	\$29.43	\$2.02
225 KVA 1 PH	748	5050	0.561	410	0.270	49	0.831	459	\$2.17	\$29.47	\$31.64	\$2.17
250 KVA 1 PH	800	5400	0.600	438	0.289	53	0.889	491	\$2.32	\$31.52	\$33.84	\$2.32
*15 KVA 3 PH	125	650	0.094	68	0.035	6	0.129	75	\$0.34	\$4.82	\$5.15	\$0.34
*45 KVA 3 PH	300	1800	0.225	164	0.096	8	0.321	182	\$0.84	\$11.68	\$12.52	\$0.84
*75 KVA 3 PH	400	2400	0.300	219	0.129	23	0.429	242	\$1.12	\$15.54	\$16.66	\$1.12
*112.5 KVA 3 PH	600	3400	0.450	329	0.182	33	0.632	362	\$1.65	\$23.24	\$24.89	\$1.65
*150 KVA 3 PH	700	4500	0.525	383	0.241	44	0.766	427	\$2.00	\$27.41	\$29.41	\$2.00
*225 KVA 3 PH	900	5300	0.675	493	0.284	52	0.959	544	\$2.50	\$34.92	\$37.43	\$2.50
*300 KVA 3 PH	1100	6300	0.825	602	0.337	61	1.162	664	\$3.03	\$42.63	\$45.66	\$3.03
*500 KVA 3 PH	1500	9700	1.125	821	0.519	94	1.644	916	\$4.29	\$58.81	\$63.10	\$4.29
*750 KVA 3 PH	2100	12000	1.575	1150	0.643	117	2.218	1267	\$5.79	\$81.34	\$87.13	\$5.79

No Load and load losses from CSA standard C802-94: Maximum losses for distribution, power and dry-type transformers commercial use  
Average load factor = 0.46 average loss factor = 0.2489

\*For non-preferred KVA ratings no load and load losses are interpolated as per CSA standard