



EB-2007-0063
EB-2007-0553

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF applications by electricity distribution companies for approval of a smart meter rate adder; and

AND IN THE MATTER OF a combined proceeding initiated by the Ontario Energy Board pursuant to sections 19(4), 21(1), 21(5) and 78(3.03) of the *Ontario Energy Board Act*, 1998 to determine issues related to the recovery of costs incurred by distributors and associated with authorized discretionary metering activities.

RATE ORDER

In January and February of 2007, twelve licensed distributors authorized to conduct discretionary metering activities filed applications pursuant to section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15 (Schedule B) for the approval of distribution rates, which applications included a smart metering rate adder to be effective as of May 1, 2007.

These distributors are Chatham-Kent Hydro Inc., Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, Hydro One Brampton Networks Inc., Hydro One Networks Inc., Hydro Ottawa, Middlesex Power Distribution Corporation, Milton Hydro Distribution Inc., PowerStream Inc., Tay Hydro Electric Distribution Co. Inc., THESL, and Veridian Connections Inc.

On March 26, 2007, the Board received an application from THESL pursuant to section 78 of the Act for rate adjustments related to smart metering activities and Conservation and Demand Management activities. The Board determined it would consider the

adjustments related to smart metering activities in this Combined Proceeding.

On May 2, 2007, the Board issued a Notice of a Combined Proceeding pursuant to sections 19, 21 and 78 of the Act to determine the prudence and recovery of costs associated with smart metering activities for the twelve licensed distributors referred to above, and a thirteenth licensed distributor, Newmarket Hydro Limited, that has been authorized by regulation to conduct discretionary metering activities. These thirteen licensed distributors were deemed to be applicants in the Combined Proceeding.

The combined hearing commenced on June 15, 2007 and ended on July 12, 2007. A determination was made by the Board at the outset of that hearing that the hearing would be held *in camera*. Only parties that signed the Board's form of Declaration and Undertaking (the "parties") were permitted to participate in the hearing and access the evidence, transcripts and exhibits.

The Board issued its Decision in this matter on August 8, 2007, approving, with minor exceptions, the costs claimed by the utilities with respect to smart metering activities. The Decision contained two appendices, one of which was confidential, and one of which was not confidential. The non-confidential appendix aggregated the costs, while the confidential appendix itemized all the costs.

In its Decision, the Board directed Middlesex Power Distribution Corporation ("MPDC") to file with the Board a draft rate order to reflect the Board's findings within 15 days of the Decision being issued.

On August 23, 2007 MPDC filed a draft rate order that contained the following elements:

- rates designed to recover the revenue requirement on the investment incurred and approved in the Decision; and
- rate increases to be implemented in the six month period November 1, 2007 to April 30, 2008.

MPDC filed subsequent materials on October 19, 2007. All parties received copies of MPDC's draft rate order and subsequent materials. In its Decision, the Board provided ten days for the parties to make submissions on the draft rate order. No submissions were received by the Board.

Upon reviewing the materials submitted by MPDC, the Board finds it appropriate to issue a rate order effective November 1, 2007 reflecting the Board's Decision. The Board finds the rates and charges in the Tariff of Rates and Charges attached as Appendix "A" to this order to be just and reasonable.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges for Middlesex Power Distribution Corporation attached as Appendix "A" to this order is approved.
2. Middlesex Power Distribution Corporation shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

ISSUED at Toronto, October 26, 2007

ONTARIO ENERGY BOARD

Kirsten Walli
Board Secretary

Appendix "A"

TARIFF OF RATES AND CHARGES

MIDDLESEX POWER DISTRIBUTION CORPORATION

EB-2007-0063

AND

EB-2007-0553

October 26, 2007

ONTARIO ENERGY BOARD

Middlesex Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective November 1, 2007

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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 – November 1, 2007 for all consumption or deemed consumption services used on or after that date.

SPECIFIC SERVICE CHARGES – November 1, 2007 for all charges incurred by customers on or after that date.

LOSS FACTOR ADJUSTMENT – November 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 applies to an account taking electricity at 750 volts or less and includes:

All services supplied to single-family dwelling units for domestic or household purposes,

All multi-unit residential establishments such as apartments of 6 or less units.

If a service supplies a combination of residential and commercial load and wiring does not permit separate metering, the classification of this customer will be determined individually by the distributor.

General Service Less Than 50 kW

This classification applies to a non residential 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 includes multi-unit residential establishments such as apartment buildings supplied through one service (bulk-metered).

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 5,000 kW non-interval metered

General Service 50 to 5,000 kW interval metered

Large Use

This classification applies to an account whose average monthly maximum demand used for billing purposes over the most recent 12 consecutive months is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW.

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 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.

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MONTHLY RATES AND CHARGES

Residential

Service Charge (includes Smart Meter rate adder of \$1.35)	\$	15.81
Service Charge Rate Rider for Smart Meter Cost Recovery – effective until April 30, 2008	\$	0.75
Distribution Volumetric Rate	\$/kWh	0.0149
Regulatory Asset Recovery	\$/kWh	0.0022
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049
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 (includes Smart Meter rate adder of \$1.35)	\$	20.46
Service Charge Rate Rider for Smart Meter Cost Recovery – effective until April 30, 2008	\$	0.75
Distribution Volumetric Rate	\$/kWh	0.0052
Regulatory Asset Recovery	\$/kWh	0.0015
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
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 (includes Smart Meter rate adder of \$1.35)	\$	47.00
Service Charge Rate Rider for Smart Meter Cost Recovery – effective until April 30, 2008	\$	0.75
Distribution Volumetric Rate	\$/kW	1.6185
Regulatory Asset Recovery	\$/kW	0.3362
Retail Transmission Rate – Network Service Rate	\$/kW	2.0299
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7412
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

Large Use

Service Charge (includes Smart Meter rate adder of \$1.35)	\$	3,856.03
Service Charge Rate Rider for Smart Meter Cost Recovery – effective until April 30, 2008	\$	0.75
Distribution Volumetric Rate	\$/kW	0.1922
Regulatory Asset Recovery	\$/kW	(0.1780)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.3871
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.1828
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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Unmetered Scattered Load

Service Charge (per connection)	\$	9.56
Distribution Volumetric Rate	\$/kWh	0.0057
Regulatory Asset Recovery	\$/kWh	0.0062
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
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)	\$	0.19
Distribution Volumetric Rate	\$/kW	1.1233
Regulatory Asset Recovery	\$/kW	0.0062
Retail Transmission Rate – Network Service Rate	\$/kW	1.5386
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3742
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)	\$	0.15
Distribution Volumetric Rate	\$/kW	0.6906
Regulatory Asset Recovery	\$/kW	0.1187
Retail Transmission Rate – Network Service Rate	\$/kW	1.5306
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3461
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
Easement letter	\$	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
Disconnect/Reconnect Charge - At Meter During Regular Hours	\$	65.00
Temporary service install & remove – overhead – no transformer	\$	500.00
Specific charge for access to the power poles – per pole/year	\$	22.35
Switching for company maintenance – Charge based on Time and Materials	\$	
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)

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LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0608
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0501
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045