



**EB-2007-0554**

**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 Midland  
Power Utility Corporation 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**

Midland Power Utility Corporation ("Midland PUC") is a licensed distributor providing electrical service to consumers within its licensed service area. Midland PUC 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.

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

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

Midland PUC requested an amount for smart meter costs. The Board has approved an amount of \$0.26 per month per metered customer. Midland PUC's variance accounts for smart meter program implementation costs, previously authorized by the Board, are continued. It is the Board's understanding that Midland PUC 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 Midland PUC'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 Midland PUC, and is final in all respects.
3. Midland PUC 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-2007-0554

April 12, 2007

ONTARIO ENERGY BOARD

# Midland Power Utility Corporation

## 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-2007-0554

#### 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 refers to an account where energy is supplied to customers residing in residential dwelling units. Energy is generally supplied as a single phase, 3-wire, 60-Hertz, having a nominal voltage of 120/240 Volts and having only one Delivery Point per dwelling. For the purposes of calculating customer connection fees, the Basic Connection for Residential customers is defined as 100 amp 120/240 volt overhead service. A residential building is supplied at one service voltage per land parcel. Street Townhouses and Condominiums requiring centralization bulk metering are covered under General Service Classification.

##### General Service Less Than 50 kW

This classification refers to the supply of electrical energy to General Service Buildings requiring a connection with a connected load less than 50 kW, and, Townhouses and Condominiums that require centralized bulk metering. General Service buildings are defined as buildings that are used for purposes other than single-family dwellings. A General Service building is supplied at one voltage per land parcel.

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

This classification refers to the supply of electrical energy to General Service customers requiring a connection with a connected load equal to or greater than 50 kW and less than 5,000 kW. A General Service building is supplied at one service voltage per land parcel. Depending on the location of the building Primary supplies to transformers and Customer owned Sub-Stations will be one of the following as determined by the Distributor:

- 2,400/4,160 volts 3 Phase 4Wire
- 4,800/8,320 volts 3 Phase 4 Wire
- 7,200/12,400 volts 3 Phase 4 Wire
- 8,000/13,800 volts 3 Phase 4 Wire
- 16,000/27,600 volts 3 Phase 4 Wire
- 44,000 Volts 3 Phase 3 Wire

##### Unmetered Scattered Load

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak 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 customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load.

##### Sentinel Lighting

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

# Midland Power Utility Corporation

## TARIFF OF RATES AND CHARGES

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#### **Street Lighting**

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, 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.

### **MONTHLY RATES AND CHARGES**

#### **Residential**

Service Charge	\$	11.37
Distribution Volumetric Rate	\$/kWh	0.0198
Regulatory Asset Recovery	\$/kWh	0.0060
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0046
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0075
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	\$	12.61
Distribution Volumetric Rate	\$/kWh	0.0140
Regulatory Asset Recovery	\$/kWh	0.0032
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0042
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0068
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	\$	14.05
Distribution Volumetric Rate	\$/kW	2.3148
Regulatory Asset Recovery	\$/kW	0.9044
Retail Transmission Rate – Network Service Rate	\$/kW	1.7293
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.6876
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)	\$	12.35
Distribution Volumetric Rate	\$/kWh	0.0140
Regulatory Asset Recovery	\$/kWh	0.0032
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0042
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0068
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Midland Power Utility Corporation

## TARIFF OF RATES AND CHARGES

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#### Sentinel Lighting

Service Charge (per connection)	\$	1.46
Distribution Volumetric Rate	\$/kW	2.6254
Regulatory Asset Recovery	\$/kW	0.7439
Retail Transmission Rate – Network Service Rate	\$/kW	1.3108
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1211
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)	\$	0.96
Distribution Volumetric Rate	\$/kW	2.3727
Regulatory Asset Recovery	\$/kW	0.0670
Retail Transmission Rate – Network Service Rate	\$/kW	1.3042
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.0777
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		
Notification Charge	\$	15.00
Account history	\$	15.00
Returned Cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	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
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
Specific Charge for Access to Power Poles \$/pole/year	\$	22.35
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
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	1.0651
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0545
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A