



EB-2007-0566

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 Oshawa PUC Networks 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

Oshawa PUC Networks Inc. (“Oshawa PUC”) is a licensed distributor providing electrical service to consumers within its licensed service area. Oshawa 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.

Oshawa 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 2nd 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 2nd generation incentive regulation mechanism policies set out in the Report.

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

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

Oshawa PUC requested an amount for smart meter costs. The Board has approved an amount of \$0.27 per month per metered customer. Oshawa PUC's variance accounts for smart meter program implementation costs, previously authorized by the Board, are continued. It is the Board's understanding that Oshawa 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 Oshawa 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 Oshawa PUC, and is final in all respects.
3. Oshawa 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

The Tariff of Rates and Charges

EB-2007-0566

April 12, 2007

ONTARIO ENERGY BOARD

Oshawa PUC Networks 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

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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 refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units, duplexes or triplexes. Basic connection is defined as 100 amp 12/240 volt overhead service. Further servicing details are available in the distributor's Conditions of Service.

General Service Less Than 50 kW

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the distributor's Conditions of Service.

General Service 50 to 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 1,000 kW. Note that for statistical purposes the following sub-classifications apply:

General Service 50 to 200 kW

General Service over 200 kW

Further servicing details are available in the distributor's Conditions of Service.

General Service 1,000 to 4,999 kW – Formerly Referred to as Intermediate or Time of Use

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, 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 5,000 kW non-interval metered

General Service 1,000 to 5,000 kW interval metered.

Further servicing details are available in the distributor's Conditions of Service.

Large Use

This classification applies to an 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, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

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Unmetered Scattered Load

This classification applies to an account 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. Further servicing details are available in the distributor's Conditions of Service.

Sentinel Lighting

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

Street Lighting

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or Ministry of Transportation. This lighting will be controlled by photo cells. The consumption for these customers will be based on the calculated connected load times as established in the approved OEB Street Lighting Load Shape Template. Further servicing details are available in the distributor's Conditions of Service.

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	7.63
Distribution Volumetric Rate	\$/kWh	0.0108
Regulatory Asset Recovery	\$/kWh	0.0012
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0059
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 Less Than 50 kW

Service Charge	\$	9.10
Distribution Volumetric Rate	\$/kWh	0.0181
Regulatory Asset Recovery	\$/kWh	0.0009
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
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	\$	40.86
Distribution Volumetric Rate	\$/kW	3.5361
Regulatory Asset Recovery	\$/kW	0.4043
Retail Transmission Rate – Network Service Rate	\$/kW	1.9069
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4616
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.4441
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.8565
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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General Service 1,000 to 4,999 kW – Formerly Intermediate or Time of Use

Service Charge	\$	1,952.54
Distribution Volumetric Rate	\$/kW	4.3362
Regulatory Asset Recovery	\$/kW	0.0820
Retail Transmission Rate – Network Service Rate	\$/kW	1.9069
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4616
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.4441
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.8565
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	\$	10,512.51
Distribution Volumetric Rate	\$/kW	2.8902
Regulatory Asset Recovery	\$/kW	0.2860
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.6041
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.0258
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)	\$	4.42
Distribution Volumetric Rate	\$/kWh	0.0184
Regulatory Asset Recovery	\$/kWh	0.0022
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
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)	\$	2.47
Distribution Volumetric Rate	\$/kW	5.5941
Regulatory Asset Recovery	\$/kW	0.1748
Retail Transmission Rate – Network Service Rate	\$/kW	1.3152
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7158
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)	\$	0.47
Distribution Volumetric Rate	\$/kW	7.4228
Regulatory Asset Recovery	\$/kW	0.1748
Retail Transmission Rate – Network Service Rate	\$/kW	1.2929
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6867
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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Specific Service Charges

Customer Administration		
Arrears certificate	\$	15.00
Easement Letter	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	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
Special meter reads	\$	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 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
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
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	1.0466
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0146
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0361
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045