



EB-2007-0567

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 Ottawa
River Power 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

Ottawa River Power Corporation (“Ottawa River Power”) is a licensed distributor providing electrical service to consumers within its licensed service area. Ottawa River Power 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.

Ottawa River Power 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 Ottawa River Power's rate application was given through newspaper publication in Ottawa River Power's service area. The evidence filed as part of the rate application was made available to the public. Both Ottawa River Power and interested parties had the opportunity to file written submissions in relation to the rate application. The Board received a letter of comment from Mr. Orma Gorr, which was considered by the Board. 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.

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

On December 14, 2006, prior to its filing for 2007 rates, Ottawa River Power filed an application with the Board (EB-2006-0212) seeking approval to amend its Conservation and Demand Management (“CDM”) plan by reallocating \$142,000 from its Load Management Project to its Smart Meter Pilot Project. On February 6, 2007 the Board found the activities proposed by Ottawa River Power qualified as CDM activities and the Board granted approval to reallocate \$142,000 as had been requested.

On February 8, 2007 Ottawa River Power filed its 2007 Smart Meter Plan requesting a smart meter rate adder of \$0.31 per month per metered customer. While the distributor noted in this filing that it had just received approval to reallocate \$142,000 from its CDM Program to its Smart Meter Pilot Program, none of the reallocated funds was included in the Smart Meter Application Model that was used to determine the \$0.31 request.

Regulation 153/07 under the *Electricity Act, 1998*, which amends regulation 427/06 under the same Act, was filed on April 10, 2007. As a result, it is the Board’s understanding that Ottawa River Power will not be undertaking any smart metering activity (i.e. discretionary metering activity) in 2007.

However, the Board has approved an amount of \$0.25 per month per metered customer to be collected through a smart meter rate adder. This nominal funding amount was calculated using the Board’s model for inactive distributors, as described in the Smart Metering Rates Addendum to the Report. 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.

The Board reminds Ottawa River Power that the \$142,000 of reallocated CDM funds must be tracked in the appropriate variance account for future disposition and reflected in the quarterly and annual reporting of CDM initiatives. 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 Ottawa River Power’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 Ottawa River Power, and is final in all respects.
3. Ottawa River Power 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-2007-0567

April 12, 2007

ONTARIO ENERGY BOARD

Ottawa River Power 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-2007-0567

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 customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

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, Town Houses 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 service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

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 but less than 5,000kW. A General Service building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Depending upon 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:

- 7,200/12,400 volts 3 phase 4 wire
- 44,000 volts 3 phase 3 wire

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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 privately owned roadway lighting controlled by photo cells. Consumption is based on calculated connected load times the required lighting hours.

Street Lighting

This classification refers to municipal lighting, Ministry of Transportation operation controlled by photo cells. Consumption is as per OEB Street lighting load shape.

MONTHLY RATES AND CHARGES**Residential**

Service Charge	\$	11.11
Distribution Volumetric Rate	\$/kWh	0.0119
Regulatory Asset Recovery	\$/kWh	0.0011
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0053
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	\$	22.44
Distribution Volumetric Rate	\$/kWh	0.0081
Regulatory Asset Recovery	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0045
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048
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	\$	267.11
Distribution Volumetric Rate	\$/kW	2.0577
Regulatory Asset Recovery	\$/kW	(0.3133)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8343
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8934
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Ottawa River Power Corporation

TARIFF OF RATES AND CHARGES

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Unmetered Scattered Load

Service Charge (per customer)	\$	22.13
Distribution Volumetric Rate	\$/kWh	0.0081
Regulatory Asset Recovery	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0045
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048
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)	\$	1.32
Distribution Volumetric Rate	\$/kW	4.3241
Regulatory Asset Recovery	\$/kW	0.5667
Retail Transmission Rate – Network Service Rate	\$/kW	1.3904
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4943
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)	\$	0.82
Distribution Volumetric Rate	\$/kW	2.9002
Regulatory Asset Recovery	\$/kW	(0.4719)
Retail Transmission Rate – Network Service Rate	\$/kW	1.3832
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4637
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
Account History	\$	15.00
Returned Cheque Charge (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 Charges at meter - During Regular Hours	\$	65.00
Disconnect/Reconnect Charges at meter - After Hours	\$	185.00
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	1.0569
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0464
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A