



**EB-2007-0578**

**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 Tay Hydro  
Electric Distribution Company 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**

Tay Hydro Electric Distribution Company Inc. ("Tay Hydro") is a licensed distributor providing electrical service to consumers within its licensed service area. Tay Hydro 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.

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

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

Tay Hydro requested an amount for smart meter costs. The Board has approved an amount of \$2.59 per month per metered customer. Tay Hydro'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.

The Board has made the necessary adjustments to Tay Hydro'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 Tay Hydro, and is final in all respects.
3. Tay Hydro 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-2007-0578

April 12, 2007

ONTARIO ENERGY BOARD

# **Tay Hydro Electric Distribution Company 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 a service which is less than 50 kW supplied to single-family dwelling units that is for domestic or household purposes, including seasonal occupancy. At Tay Hydro's discretion, residential rates may be applied to apartment buildings with 6 or less units by simple application of the residential rate or by blocking the residential rate by the number of units.

##### **General Service Less Than 50 kW**

This classification refers to any service supplied to premises other than those designated as Residential and whose average monthly maximum demand over the past twelve months is less than 50 kW. This includes multi-unit residential establishments such as apartment buildings supplied through one service (bulk metered). For new customers without prior billing history, the peak demand will be based on 90% of the proposed capacity or installed transformer.

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

This classification refers to all non-residential customers whose average monthly maximum demand used for billing purposes over the past twelve months is equal to or greater than 50 kW but less than 5,000 kW. For new customers without prior billing history, the peak demand will be based on 90% of the proposed capacity or installed transformer.

##### **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.

##### **Street Lighting**

All services supplied to street lighting equipment owned by or operated for a Municipality or the Province of Ontario shall be classified as Street Lighting Service. This classification refers 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.

# Tay Hydro Electric Distribution Company Inc.

## TARIFF OF RATES AND CHARGES

### Effective May 1, 2007

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#### MONTHLY RATES AND CHARGES

##### Residential

Service Charge	\$	17.18
Distribution Volumetric Rate	\$/kWh	0.0116
Regulatory Asset Recovery	\$/kWh	0.0058
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047
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	\$	17.31
Distribution Volumetric Rate	\$/kWh	0.0177
Regulatory Asset Recovery	\$/kWh	0.0039
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0042
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	\$	210.93
Distribution Volumetric Rate	\$/kW	3.3024
Regulatory Asset Recovery	\$/kW	0.9416
Retail Transmission Rate – Network Service Rate	\$/kW	1.9747
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6747
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)	\$	7.35
Distribution Volumetric Rate	\$/kWh	0.0177
Regulatory Asset Recovery	\$/kWh	0.0079
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0042
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)	\$	0.72
Distribution Volumetric Rate	\$/kW	3.2915
Regulatory Asset Recovery	\$/kW	7.4173
Retail Transmission Rate – Network Service Rate	\$/kW	1.4968
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3217
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Tay Hydro Electric Distribution Company Inc.

## TARIFF OF RATES AND CHARGES

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**Street Lighting**

Service Charge (per connection)	\$	0.69
Distribution Volumetric Rate	\$/kW	3.7705
Regulatory Asset Recovery	\$/kW	1.0734
Retail Transmission Rate – Network Service Rate	\$/kW	1.4893
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2946
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**

<b>Customer Administration</b>		
Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Notification Charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	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
<b>Non-Payment of Account</b>		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
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
Service call – customer-owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary service install & remove – overhead – no transformer	\$	500.00
Temporary service install & remove – underground – no transformer	\$	300.00
Temporary service install & remove – overhead – with transformer	\$	1,000.00
Service Charge for Access to the Power Poles \$/pole/year	\$	22.35
<b>Allowances</b>		
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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**TARIFF OF RATES AND CHARGES**  
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**LOSS FACTORS**

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0866
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0757
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A