Commission de l'énergie de l'Ontario



EB-2008-0110

**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 Brant County Power Inc. for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective July 1, 2008;

**AND IN THE MATTER OF** an application by Brant County Power Inc. under section 21(4) (b) of the *Ontario Energy Board Act, 1998,* seeking to dispose of the proceeding without a hearing.

**BEFORE:** Paul Sommerville Presiding Member

> Ken Quesnelle Member

# **DECISION AND ORDER**

### Introduction

Brant County Power Inc. is a licensed distributor of electricity providing service to consumers within its licensed service area. Brant County Power Inc. ("Brant County Power" or the "Applicant") 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 July 1, 2008.

Brant County Power is one of over 80 electricity distributors in Ontario that are regulated by the Board. In 2006, the Board announced the establishment of a multi-year electricity distribution rate-setting plan for the years 2007-2010. As part of the plan, Brant County Power was one of the distributors identified to file an application to rebase its distribution rates in 2008. Brant County Power notified the Board that it did not intend to file such an application because it was waiting for the outcome of discussions regarding a possible merger. However, in response to a Direction from the Board, Brant County Power did file an application for a change to one component of its distribution rates; namely, the Retail Transmission Service rates.

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.

### **Retail Transmission Service Rates**

On October 17, 2007, the Board issued a Rate Order setting new Uniform Transmission Rates for Ontario transmitters effective November 1, 2007 (EB-2007-0759). The Board approved a decrease of 18% to the wholesale transmission network rate, a decrease of 28% to the wholesale transmission line connection rate, and an increase of 7% to the wholesale transformation connection rate. The combined change in the wholesale transmission line connection rates is a reduction to the connection rate of 5%.

On October 29, 2007, the Board issued a letter to all electricity distributors directing them to propose an adjustment to their retail transmission service (RTS) rates to reflect the new Uniform Transmission Rates for Ontario transmitters effective November 1, 2007. On May 12, 2008 Brant County Power filed its application to reduce its Retail Transmission Service Rates by 39%. The application made reference to the new Uniform Transmission Rates, and to new rates being sought by its two host distributors, Hydro One Networks Inc. and Brantford Power.

In addition to being responsive to the Board's direction, the application was intended to minimize the prospective balances in variance accounts 1584 and 1586 and also to mitigate intergenerational inequities. The application was supported by evidence which reflected the amount by which the approved Retail Transmission Service Rates have yielded revenue in excess of Brant County Power's wholesale cost in the period prior to the application. The application included revised Retail Transmission Service Rates for each customer class that would minimize further changes in the variance accounts, considering the new rates that Brant County Power is being charged for the wholesale cost of transmission service.

On June 4, 2008, Brant County Power filed a letter seeking to dispose of the Application without a hearing, pursuant to section 21(4) (b) of the *Ontario Energy Board Act*, on the basis that because of the nature of the application, no party is adversely affected in a material way.

## **Board Findings**

The Board finds that the RTS rates proposed by Brant County Power are just and reasonable and finds that the effective date for their implementation shall be November 1, 2008.

### Elimination of Regulatory Asset Recovery Rate Riders

When the Board approved new rates for distributors for 2006, it also approved the recovery of regulatory asset balances on a final basis. At that time, the Board approved rate riders to facilitate the recovery of the approved balances over a two-year period. In the normal course, these rate riders expired on April 30, 2008. For most distributors these rate riders were formally eliminated as part of the Board's review and approval of their respective 2008 rates. Because Brant County Power did not make an application to revise its rates in 2008 there was no opportunity for the Board to remove these rate riders identified on the approved Tariff of Rates and Charges until now, as part of this limited application.

The Board notes that the rate riders approved in 2006 for the Streetlighting class were credits. There is only one customer in this class, the County of Brant. While that customer is not adversely affected by the proposed reductions to the Retail Transmission Service Rates, the removal of the rate rider affecting this class would eliminate the credit currently being extended to it through the rate rider. As noted above, by its terms, the rate rider extending this credit was to expire on April 30, 2008. Accordingly, insofar as the rate rider was to be terminated on that date, this customer cannot be said to be adversely affected by this application.

However, in an abundance of caution the applicant sought and received a written acknowledgement, dated October 22, 2008 from the County of Brant confirming that it does not require a hearing of this application.

## **Board Findings**

The Board finds that the terms of Section 24(4)(b) of the Act have been met, and that this matter can proceed without a hearing.

The Board finds that Brant County Power shall cease to charge the Regulatory Asset Recovery rate rider affective with this Rate Order. The disposition of the residual balance in deferral account 1590 will be considered in a future proceeding.

As an administrative matter, and for completeness of the regulated charges, the Board has included in the Tariff of Rates and Charges the charges pertaining to services provided to retailers or consumers regarding the supply of competitive electricity, which are referenced in Chapter 12 of the 2006 Electricity Distribution Rate Handbook.

# THE BOARD THEREFORE ORDERS THAT:

- 1. The Tariff of Rates and Charges set out in Appendix "A" of this Rate Order is approved, effective November 1, 2008, for electricity consumed or estimated to have been consumed on and after November 1, 2008.
- 2. The Tariff of Rates and Charges set out in Appendix "A" of this Order supersedes all previous distribution rate schedules approved by the Board for Brant County Power Inc. and is final in all respects.
- 3. Brant County Power Inc. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

## DATED at Toronto, November 10, 2008 ONTARIO ENERGY BOARD

**Original Signed By** 

Kirsten Walli Board Secretary Appendix "A" To The Rate Order Arising from Decision EB-2008-0110 Brant County Power Inc. November 10, 2008

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# Brant County Power Inc. TARIFF OF RATES AND CHARGES Effective November 1, 2008

#### This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2008-0110

#### 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, 2008 for all consumption or deemed consumption services used on or after that date. SPECIFIC SERVICE CHARGES – November 1, 2008 for all charges incurred by customers on or after that date. RETAIL SERVICE CHARGES – November 1, 2008 for all charges incurred by retailers or customers on or after that date. LOSS FACTOR ADJUSTMENT – November 1, 2008 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 where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase.

#### 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.

#### 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 1,000 kW non-interval metered

General Service 50 to 1,000 kW interval metered

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

#### 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.

#### **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 applies to safety/security lighting with a Residential, General Service or Large Use customer. This is typically exterior lighting, and unmetered. Consumption is estimated based on the equipment rating and estimated hours of use.

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# Brant County Power Inc. TARIFF OF RATES AND CHARGES Effective November 1, 2008

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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, 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 Distribution Volumetric Rate Retail Transmission Rate – Network Service Rate Retail Transmission Rate – Line and Transformation Connection Service Rate Wholesale Market Service Rate Rural Rate Protection Charge Standard Supply Service – Administrative Charge (if applicable)	\$ \$/kWh \$/kWh \$/kWh \$/kWh \$/kWh	11.24 0.0224 0.0035 0.0030 0.0052 0.0010 0.25
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#### General Service Less Than 50 kW

Service Charge	\$	16.74
Distribution Volumetric Rate	\$/kWh	0.0193
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0032
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0027
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	\$	29.63
Distribution Volumetric Rate	\$/kW	5.5950
Retail Transmission Rate – Network Service Rate	\$/kW	1.2895
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.0885
Retail Transmission Rate – Network Service Rate – Interval Metered <1,000 kW	\$/kW	1.3679
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered <1,000 kW	\$/kW	1.2030
Retail Transmission Rate – Network Service Rate – Interval Metered >1,000 kW	\$/kW	1.3695
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered >1,000 kW	\$/kW	1.1933
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	\$	275.98
Distribution Volumetric Rate	\$/kW	1.1659
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.5164
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.3646
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) Distribution Volumetric Rate Retail Transmission Rate – Network Service Rate Retail Transmission Rate – Line and Transformation Connection Service Rate Wholesale Market Service Rate Rural Rate Protection Charge Standard Supply Service – Administrative Charge (if applicable)	\$ \$/kWh \$/kWh \$/kWh \$/kWh \$/kWh	8.24 0.0193 0.0032 0.0027 0.0052 0.0010 0.25
Sentinel Lighting		
Service Charge (per connection) Distribution Volumetric Rate Retail Transmission Rate – Network Service Rate Retail Transmission Rate – Line and Transformation Connection Service Rate Wholesale Market Service Rate Rural Rate Protection Charge Standard Supply Service – Administrative Charge (if applicable)	\$ \$/kW \$/kW \$/kWh \$/kWh \$/	2.52 8.4824 0.9774 0.8591 0.0052 0.0010 0.25
Street Lighting		
Service Charge (per connection) Distribution Volumetric Rate Retail Transmission Rate – Network Service Rate Retail Transmission Rate – Line and Transformation Connection Service Rate Wholesale Market Service Rate Rural Rate Protection Charge Standard Supply Service – Administrative Charge (if applicable)	\$ \$/kW \$/kW \$/kWh \$/kWh \$	0.81 4.4071 0.9725 0.8415 0.0052 0.0010 0.25
Specific Service Charges		
Customer Administration Arrears certificate Statement of account Pulling post-dated cheques Duplicate invoices for previous billing Request for other billing information Easement letter Income tax letter Notification charge Account history Credit reference/credit check (plus credit agency costs) Returned cheque charge (plus bank charges) Charge to certify cheque Legal letter charge Account set up charge/change of occupancy charge (plus credit agency costs if applicable) Special meter reads Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	$\begin{array}{c} 15.00\\ 15.00\\ 15.00\\ 15.00\\ 15.00\\ 15.00\\ 15.00\\ 15.00\\ 15.00\\ 15.00\\ 15.00\\ 15.00\\ 15.00\\ 30.00\\ 30.00\\ 30.00\\ 30.00\\ \end{array}$

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Non-Payment of Account Late Payment - per month Late Payment - per annum Collection of account charge – no disconnection Collection of account charge – no disconnection – after regular hours Disconnect/Reconnect Charge at Meter – during regular hours Disconnect/Reconnect Charge at Meter – after regular hours Disconnect/Reconnect Charge at Pole – during regular hours Disconnect/Reconnect Charge at Pole – during regular hours	% % \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1.50 19.56 30.00 165.00 65.00 185.00 185.00 415.00
Service call – customer-owned equipment Service call – after regular hours Temporary service install and remove – overhead – no transformer Temporary service install and remove – underground – no transformer Temporary service install and remove – overhead – with transformer Rural system expansion / line connection fee Specific Charge for Access to the Power Poles – per pole/year	\$ \$ \$ \$ \$ \$ \$ \$	30.00 165.00 500.00 300.00 1,000.00 500.00 22.35
Allowances Transformer Allowance for Ownership - per kW of billing demand/month Primary Metering Allowance for transformer losses – applied to measured demand and energy Retail Service Charges (if applicable)	\$/kW %	(0.60) (1.00)
Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity		
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer Monthly Fixed Charge, per retailer Monthly Variable Charge, per customer, per retailer Distributor-consolidated billing charge, per customer, per retailer Retailer-consolidated billing credit, per customer, per retailer	* \$ \$ \$/cust. \$/cust. \$/cust.	100.00 20.00 0.50 0.30 (0.30)
Service Transaction Requests (STR) Request fee, per request, applied to the requesting party Processing fee, per request, applied to the requesting party Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party	\$ \$	0.25 0.50
Up to twice a year More than twice a year, per request (plus incremental delivery costs)	\$	no charge 2.00
LOSS FACTORS		
Total Loss Factor – Secondary Metered Customer < 5,000 kW Total Loss Factor – Secondary Metered Customer > 5,000 kW Total Loss Factor – Primary Metered Customer < 5,000 kW Total Loss Factor – Primary Metered Customer > 5,000 kW		1.0495 1.0173 1.0390 1.0072