



**EB-2007-0697**

**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 Horizon Utilities Corporation for an order approving or fixing just and reasonable rates and other charges for the distribution of electricity to be effective May 1, 2008.

**BEFORE:** Gordon Kaiser  
Vice Chair and Presiding Member

Cynthia Chaplin  
Member

## **RATE ORDER**

Horizon Utilities Corporation (“Horizon”) is a licensed distributor of electricity providing service to consumers within its licensed service area. Horizon filed an application with the Ontario Energy Board (the “Board”), received on October 22, 2007, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that it charges for electricity distribution, to be effective May 1, 2008. The Board assigned file number EB-2007-0697 to the application.

The Intervenors in this proceeding were the School Energy Coalition (“Schools”), Vulnerable Energy Consumers Coalition (“VECC”), Consumers Council of Canada (“CCC”) and Energy Probe.

The Board issued its Decision on Horizon's application on October 3, 2008 and ordered Horizon to file a Draft Rate Order reflecting the Board's findings within 14 days of the date of the Decision. Horizon filed its Draft Rate Order on October 17, 2008. Due to some irregularities pointed out by Board staff and VECC, Horizon filed an amended Draft Rate Order on October 24, 2008.

Comments to the Draft Rate Order were filed by Board Staff, VECC and CCC. Horizon replied on November 3, 2008. Some of the comments were already addressed by Horizon through the amended Draft Rate Order.

In its submission, VECC stated that based on the Board's October 3, 2008 Decision, it was unable to determine if Horizon's implementation of the revenue to cost ratios was appropriate. Horizon responded that the Board was satisfied with its explanation and consequently no changes were required to Horizon's revenue to cost ratios. The appropriate initial revenue to cost ratio for the large user customer class is arrived at after removal of the transformer allowance credit.

CCC proposed that the recovery of Horizon Utilities' Shared Saving Mechanism and Lost Revenue Adjustment Mechanism should be subject to a true up mechanism. Horizon Utilities agreed with CCC and recommended that the over or under recovery amounts through its rate riders be tracked in a variance account for disposition after April 30, 2011. The Board accepts Horizon's proposal.

The Board also accepts Horizon's proposal to dispose of balances in the deferral and variance accounts over a twenty-nine month period ending April 30, 2011.

VECC and CCC expressed concern over Horizon's proposal to calculate the recovery of its distribution revenue requirement shortfall for the period May 1 to November 30, 2008 on the basis of best available information. In its response, Horizon agreed to use the Board approved forecast data in place of the consumption or billing data. Horizon has recalculated the revenue shortfall for the period May 1 to November 30, 2008. The proposed rate riders have been recalculated to recover the revised revenue requirement shortfall of \$1,647,607. The Board accepts the revised revenue shortfall calculation and the new rate riders.

In its Draft Rate Order, Horizon proposed to track the revenue requirement billed to customers through the rate rider in a variance account. This was to ensure that both

ratepayers and shareholders are kept whole. If new rates had been implemented on May 1, 2008, Horizon would have been exposed to forecast or load risk. There is no compelling reason to protect against forecast risk with respect to recovery of the revenue requirement rate rider. The Board denies Horizon's request to track the revenue requirement shortfall billed to customers in a variance account.

Furthermore, the Board orders that Horizon cannot implement individual rate riders for recovery of the Large User revenue requirement shortfall. Rates are set on a class basis and there is no compelling reason to depart from that practice for purposes of determining the rate rider.

**THE BOARD ORDERS THAT:**

1. The Tariff of Rates and Charges set out in Appendix A of this Rate Order is approved, effective May 1, 2008 but implemented December 1, 2008, for electricity consumed or estimated to have been consumed on and after May 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 Ontario Energy Board for Horizon Utilities Corporation and is final in all respects, except for the Standby Power rates which are approved on an interim basis.
3. Horizon Utilities Corporation shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

**DATED** at Toronto, November 13, 2008

ONTARIO ENERGY BOARD

*Original signed by*

Kirsten Walli  
Board Secretary

**HORIZON UTILITIES CORPORATION**

**APPENDIX "A" to RATE ORDER**

**TARIFF OF RATES AND CHARGES**

**BOARD FILE NO. EB-2007-0697**

**DATED: November 13, 2008**

# Horizon Utilities Corporation

## TARIFF OF RATES AND CHARGES

### Effective May 1, 2008

### Implementation December 1, 2008

**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).

#### IMPLEMENTATION DATES

DISTRIBUTION RATES – December 1, 2008 for all consumption or deemed consumption services used on or after that date.  
SPECIFIC SERVICE CHARGES – December 1, 2008 for all charges incurred by customers on or after that date.  
RETAIL SERVICE CHARGES – December 1, 2008 for all charges incurred by retailers or customers on or after that date.  
LOSS FACTOR ADJUSTMENT – December 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.

##### **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.

##### **Standby Power**

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service.

##### **Sentinel Lighting**

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

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## 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, 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	\$	12.66
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2009	\$	(1.87)
Smart Meter Rate Rider	\$	0.82
Distribution Volumetric Rate	\$/kWh	0.0128
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until April 30, 2009	\$/kWh	(0.0013)
Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0003)
Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery Rate Rider – effective until April 30, 2011	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
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	\$	27.08
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2009	\$	2.48
Smart Meter Rate Rider	\$	0.82
Distribution Volumetric Rate	\$/kWh	0.0072
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until April 30, 2009	\$/kWh	0.0008
Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0005)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0042
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 4,999 kW**

Service Charge	\$	246.97
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2009	\$	16.69
Smart Meter Rate Rider	\$	0.82
Distribution Volumetric Rate	\$/kW	1.7968
Foregone Distribution Revenue Rate Rider – Volumetric Rate effective until April 30, 2009	\$/kW	0.5649
Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.2502)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6584
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6485
Wholesale Market Service Rate	\$/kW	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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#### Large Use

Service Charge	\$	11,001.46
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2009	\$	2,198.85
Smart Meter Rate Rider	\$	0.82
Distribution Volumetric Rate	\$/kW	1.0218
Foregone Distribution Revenue Rate Rider – Volumetric Rate effective until April 30, 2009	\$/kW	1.0009
Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.1972)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8945
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8944
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kW	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### Unmetered Scattered Load

Service Charge (per connection)	\$	9.46
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2009	\$	10.07
Distribution Volumetric Rate	\$/kWh	0.0148
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until April 30, 2009	\$/kWh	0.0178
Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0006)
Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery Rate Rider – effective until April 30, 2011	\$/kWh	0.0001
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0043
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

#### Standby Power – APPROVED ON AN INTERIM BASIS

Standby Charge – for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of generation facility).	\$/kW	2.0358
Foregone Distribution Revenue Rate Rider – Standby Charge – effective until April 30, 2009	\$/kW	1.0800

#### Sentinel Lighting

Service Charge (per connection)	\$	2.85
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2009	\$	1.76
Distribution Volumetric Rate	\$/kW	7.9428
Foregone Distribution Revenue Rate Rider – Volumetric Rate effective until April 30, 2009	\$/kW	2.8253
Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.1150)
Retail Transmission Rate – Network Service Rate	\$/kW	1.3781
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3266
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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**Street Lighting**

Service Charge (per connection)	\$	1.25
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2009	\$	1.24
Distribution Volumetric Rate	\$/kW	3.4026
Foregone Distribution Revenue Rate Rider – Volumetric Rate effective until April 30, 2009	\$/kW	2.7064
Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.2276)
Retail Transmission Rate – Network Service Rate	\$/kW	1.3056
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2934
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
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
Credit Card Convenience Charge	\$	15.00

## Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
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 and remove – overhead – no transformer	\$	500.00
Temporary service install and remove – underground – no transformer	\$	300.00
Temporary service install and remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Administrative Billing Charge	\$	150.00

## Allowances

Transformer Allowance for Ownership - General Service 50 to 4,999 kW customers - per kW of billing demand/month	\$/kW	(0.73)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)



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**Retail Service Charges (if applicable)**

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	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
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		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

**LOSS FACTORS**

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0421
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0168
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0316
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0067