



**EB-2007-0693**

**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 Wellington North Power Inc. 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:** Paul Sommerville  
Presiding Member

Ken Quesnelle  
Member

### **RATE ORDER**

Wellington North Power Inc. ("Wellington North") is a licensed distributor of electricity providing service to consumers within its licensed service area. Wellington North filed an application with the Ontario Energy 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, 2008. The Board assigned file number EB-2007-0693 to the application.

The intervenors in this proceeding were Energy Probe Research Foundation ("Energy Probe"), the School Energy Coalition ("SEC") and the Vulnerable Energy Consumers Coalition ("VECC").

The Board issued an Interim Rate Order on April 24, 2008 declaring the existing approved rates interim as of May 1, 2008.

The Board issued its Decision and Order on Wellington North's application on August 11, 2008 and directed Wellington North to file a Draft Rate Order reflecting the Board's findings. The Board invited comments from intervenors on the Draft Rate Order.

Wellington North filed its Draft Rate Order on August 21, 2008. VECC filed a letter of comment on the Draft Rate Order on August 25, 2008 in which it identified three areas of concern. Energy Probe filed a letter on August 25, 2008 saying that it supported the submissions of VECC. SEC filed a letter on August 27, 2008 stating that it concurred with VECC's submissions. SEC also raised another issue not identified in the VECC letter. Wellington North filed its response to the comments on September 2, 2008.

The issues raised in the VECC submission are Rate Base, Cost Allocation, and Implementation. SEC's issue also related to Cost Allocation. The Board will address each of the issues.

### **Rate Base**

VECC submitted that Wellington North's Draft Rate Order incorrectly showed no reduced opening balance in 2008 Rate Base in the amount of \$130,000. VECC referenced Wellington North's reply submission in which the utility acknowledged that the \$130,000 planned expenditure for a digger truck did not occur in 2007. In its reply submission, the utility agreed that it should be removed from the 2008 opening balance for Rate Base. However, Wellington North also submitted that the 2008 capital budget should be updated for the digger truck. The 2008 capital budget approved by the Board in the August 11, 2008 Decision and Order did not include an amount for the digger truck.

In its September 2, 2008 response, Wellington North provided an analysis showing a negligible impact in the resulting proposed rates as a result of removing the \$130,000 from the 2008 opening balance of Rate Base and including the same amount in the 2008 capital budget. The Board's view is that, for correctness, the digger truck should be accounted for in the 2008 capital plan and not included in the 2008 Rate Base, by virtue of its inclusion in the opening balance for 2008. However, because of the negligible rate impact, the Board is prepared to accept the Draft Rate Order as filed by Wellington North rather than requiring Wellington North to go through the necessary revisions.

**Cost Allocation**

VECC suggested that the Board's Decision and Order did not approve further movements in the revenue to cost ratios, yet Wellington North made changes to the ratios for the residential classes. SEC used the same logic in its submission, however SEC focused its concern on the revenue to cost ratio for the General Service Less Than 50kW class.

The Board's view is that the revenue to cost ratios filed by Wellington North in its Draft Rate Order are in accordance with the Board's Decision and Order and need not be changed.

**Implementation**

VECC pointed out that in determining the foregone revenues for the period July 1, 2008 to August 31, 2008, Wellington North used the 2007 and 2008 rates for each class inclusive of the Smart Meter Rate Adder. Since the approved Smart Meter Rate Adder for 2008 is \$1.00 per meter as compared to \$0.26 per meter in 2007, this difference contributed to the calculated Distribution Revenue shortfall of \$82,751. VECC's view was that if Wellington North included the Smart Meter Rate adder in the calculation, then a portion of the \$83,751 should be transferred to the Smart Meter Variance account. The alternative would be for Wellington North to perform the revenue deficiency calculation using 2007 and 2008 rates, exclusive of the Smart Meter Rate Adder.

The Board notes that in Wellington North's response to this concern, it showed a calculation in the amount of \$5,216 that it intends be recorded in the Smart Meter Variance account. The Board's view is that this action adequately resolves the issue of amounts from this time period that should properly be recorded in the Smart Meter Variance account. Therefore, no change is required to the Draft Rate Order.

The Board has reviewed the proposed Tariff of Rates and Charges and is satisfied that the document accurately reflects the Board's August 11, 2008 Decision and Order.

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 ORDERS THAT:**

1. The Tariff of Rates and Charges set out in Appendix A of this Rate Order is approved, effective July 1, 2008, but implemented September 1, 2008 for electricity consumed or estimated to have been consumed on and after September 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 Wellington North Power Inc. and is final in all respects.
3. Wellington North Power Inc. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

**DATED** at Toronto, September 10, 2008.

ONTARIO ENERGY BOARD

*Original Signed By*

Kirsten Walli  
Board Secretary

## **Appendix A**

To The Rate Order Arising from Decision  
**EB-2007-0693**  
**Wellington North Power Inc.**  
September 10, 2008

# Wellington North Power Inc.

## TARIFF OF RATES AND CHARGES

### Effective July 1, 2008

### Implementation September 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** – September 1, 2008 for all consumption or deemed consumption services used on or after that date.  
**SPECIFIC SERVICE CHARGES** – September 1, 2008 for all charges incurred by customers on or after that date.  
**RETAIL SERVICE CHARGES** – September 1, 2008 for all charges incurred by retailers or customers on or after that date.  
**LOSS FACTOR ADJUSTMENT** – September 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 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 a nominal voltage of 120/240 Volts.

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

This classification applies to customers in General Service buildings 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.

##### **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.

##### **General Service 1,000 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, 1,000 kW but less than 5,000 kW.

##### **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, decorative street lighting, billboards, 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 accounts for unmetered lighting loads supplied to sentinel lights.

##### **Street Lighting**

This classification refers to accounts for roadway lighting with a Municipality, Regional Municipality, and Ministry of Transportation. 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.

**Wellington North Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective July 1, 2008**  
**Implementation September 1, 2008**

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**MONTHLY RATES AND CHARGES****Residential**

Service Charge	\$	14.60
Foregone Distribution Revenue Rate Rider – Service Charge– effective until April 30, 2009	\$	1.25
Distribution Volumetric Rate	\$/kWh	0.0152
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until April 30, 2009	\$/kWh	0.0005
Deferral Account Rate Rider – effective until April 30, 2009	\$/kWh	0.0018
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0039
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0052
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	\$	28.00
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2009	\$	2.92
Distribution Volumetric Rate	\$/kWh	0.0131
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until April 30, 2009	\$/kWh	0.0011
Deferral Account Rate Rider – effective until April 30, 2009	\$/kWh	0.0012
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0036
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
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 – For former General Service 50 to 4,999 kW class customers**

Service Charge – effective until April 30, 2009	\$	202.89
Service Charge – effective after April 30, 2009	\$	260.89
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2009	\$	14.75
Distribution Volumetric Rate	\$/kW	4.0754
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until April 30, 2009	\$/kW	0.6656
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	0.2892
Retail Transmission Rate – Network Service Rate	\$/kW	1.4561
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7514
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 – For former General Service 50 to 4,999 kW Time of Use class customers**

Service Charge – effective until April 30, 2009	\$	937.53
Service Charge – effective after April 30, 2009	\$	260.89
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2009	\$	(168.91)
Distribution Volumetric Rate	\$/kW	4.0754
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until April 30, 2009	\$/kW	0.4205
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	0.2892
Retail Transmission Rate – Network Service Rate	\$/kW	1.4561
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7514
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**

Service Charge	\$	1,614.17
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2009	\$	0.25
Distribution Volumetric Rate	\$/kW	1.9977
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until April 30, 2009	\$/kW	(0.0989)
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	0.1218
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.5465
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.9200
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 customer)	\$	10.06
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2009	\$	0.51
Distribution Volumetric Rate	\$/kWh	0.0096
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until April 30, 2009	\$/kWh	0.0002
Deferral Account Rate Rider – effective until April 30, 2009	\$/kWh	0.0014
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0036
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
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)	\$	10.65
Foregone Distribution Revenue Rate Rider – Service Charge(per connection) – effective until April 30, 2009	\$	2.55
Distribution Volumetric Rate	\$/kW	39.8326
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until April 30, 2009	\$/kW	9.1060
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	22.6962
Retail Transmission Rate – Network Service Rate	\$/kW	1.1037
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3823
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)	\$	3.60
Foregone Distribution Revenue Rate Rider – Service Charge(per connection) – effective until April 30, 2009	\$	0.84
Distribution Volumetric Rate	\$/kW	4.4763
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until April 30, 2009	\$/kW	0.6341
Deferral Account Rate Rider – effective until April 30, 2009	\$/kW	0.1776
Retail Transmission Rate – Network Service Rate	\$/kW	1.0981
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3539
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		
Notification charge	\$	15.00
Account history	\$	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
Interval Meter Load Management Tool	\$	50.00
Service call – customer-owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary service install & remove – overhead – no transformer	\$	500.00
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)

**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	1.0699
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0592
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A