

EB-2008-0235

**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 London Hydro Inc. for an order approving or fixing just and reasonable rates and other charges for the distribution of electricity to be effective May 1, 2009.

**BEFORE:** Cynthia Chaplin

Presiding Member

Paul Sommerville

Member

#### RATE ORDER

London Hydro Inc. ("London" or the "Company") is a licensed distributor of electricity providing service to consumers within its licensed service area. On December 8, 2008, London filed an application (the "Application") with the Ontario Energy Board (the "Board") 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, 2009.

The Board assigned file number EB-2008-0235 to the application and issued a Notice of Application and Hearing on December 24, 2008. The Board approved five interventions: the Vulnerable Energy Consumers Coalition ("VECC"); the School Energy Coalition ("SEC"); Energy Probe Research Foundation ("Energy Probe"); the London Property Management Association ("LPMA"); and the Consumers Coalition of Canada ("CCC"). No letters of comment were received by the Board regarding the Application.

On April 23, 2009, the Board made London's current rates interim as of May 1, 2009.

The Board's Decision and Order regarding the Application was issued August 21, 2009. In the Decision, the Board ordered London to file a Draft Rate Order reflecting the Board's findings with an effective date of September 1, 2009. The implementation date of the Final Rate Order is October 1, 2009. The Board directed London to calculate rate riders that would recover one month of foregone revenue.

The Board indicated that it expected London to file detailed supporting material, including all relevant calculations showing the impact of the Decision on the Company's proposed revenue requirement, the allocation of the approved revenue requirement to the classes and the determination of the final rates. Supporting documentation was to include, but not be limited to, filling a completed version of the Revenue Requirement Work Form ("RRWF") excel spreadsheet. The Board further indicated that London should show detailed calculations of the retail transmission service rates and variance account rate riders, and foregone revenue rate rider reflecting the Decision.

London filed a Draft Rate Order on September 3, 2009. The intervenors in this proceeding had the opportunity to file comments within 7 days from the date of the filing of the Draft Rate Order. The Board received comments from LPMA on September 8, 2009, and from Board staff on September 11, 2009. No comments were received from other intervenors. LPMA was satisfied with London's Draft Rate Order. Board staff identified certain matters but made no submissions.

The Board has reviewed the information provided and the proposed Tariff of Rates and Charges and, is satisfied that the document accurately reflects the Board's Decision. The Board has corrected typographical errors with respect to Loss Factors and the Rural and Remote Rate Protection rates.

#### THE BOARD ORDERS THAT:

- 1. The Tariff of Rates and Charges set out in Appendix "A" of this Rate Order is approved, effective September 1, 2009, but implemented on October 1, 2009 for electricity consumed or estimated to have been consumed on and after October 1, 2009.
- 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 London Hydro Inc. and is final, except for the Standby Power rates which are interim.

3. London Hydro Inc. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

**DATED** at Toronto, September 22, 2009 **ONTARIO ENERGY BOARD** 

Original Signed By

Kirsten Walli Board Secretary

# Appendix "A" To The Rate Order Arising from Decision EB-2008-0235 London Hydro Inc.

September 22, 2009

Effective September 1, 2009 Implementation October 1, 2009

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

FB-2008-0235

#### **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 - October 1, 2009 for all consumption or deemed consumption services used on or after that date. SPECIFIC SERVICE CHARGES – October 1, 2009, for all charges incurred by customers on or after that date. RETAIL SERVICE CHARGES – October 1, 2009 for all charges incurred by retailers or customers on or after that date. LOSS FACTOR ADJUSTMENT – October 1, 2009 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. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Multi-unit residential establishments such as apartment buildings supplied through one service (bulk meter) shall be classified as General Service. Where electricity service is provided to combined residential and business (including agricultural) usage and the wiring does not provide for separate metering, the classification shall be at the discretion of London Hydro and should be based on such considerations as the estimated predominant consumption. Further servicing details are available in London Hydro's Conditions of Service

#### 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. Multi-unit residential establishments such as apartment buildings supplied through one service (bulk meter) shall be classified as General Service. Where electricity service is provided to combined residential and business (including agricultural) usage and the wiring does not provide for separate metering, the classification shall be at the discretion of London Hydro and should be based on such considerations as the estimated predominant consumption. Further servicing details are available in London Hydro's Conditions of Service

#### 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 determination of the billing demand and 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 199 kW non-interval metered

General Service 50 to 4,999 kW interval metered.

Further servicing details are available in London Hydro's Conditions of Service

#### General Service 1,000 to 4,999 kW (Co-Generation)

Embedded generation, co-generation or load displacement customers have the option to reserve demand capacity on the London Hydro distribution system for import load through mutual agreement/contract. For the embedded generation customers with a gross peak demand annual average of less than 1,000 kW and equal to or greater than 50 kW per month, the General Service 50 to 4,999 kW distribution rates will be applied, as long as there is no requirement for reserve capacity from the customer. For the embedded generation customers with a gross peak demand annual average of less than 50 kW per month, the General Service Less Than 50 kW distribution rates will be applied, as long as there is no requirement for reserve capacity from the customer. Further servicing details are available in London Hydro's Conditions of Service.

#### Effective September 1, 2009 Implementation October 1, 2009

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EB-2008-0235

#### **Standby Power**

This classification refers to an account that has Load Displacement Generation and requires London Hydro to provide back-up service. The distribution Standby Power rate will be applied to all monthly kW's reserved. Further servicing details are available in London Hydro's Conditions of Service

#### Large User

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. Further servicing details are available in London Hydro's Conditions of Service.

#### **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. Further servicing details are available in London Hydro's Conditions of Service

#### **Sentinel Lighting**

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in London Hydro's Conditions of Service

#### 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. Further servicing details are available in London Hydro's Conditions of Service.

#### **MONTHLY RATES AND CHARGES**

#### Residential

Service Charge	\$	12.68
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0143
Foregone Distribution Revenue Rate Rider – effective until April 30, 2010	\$/kWh	0.0004
Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0013)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### General Service Less Than 50 kW

Service Charge	\$	30.34
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0094
Foregone Distribution Revenue Rate Rider – effective until April 30, 2010	\$/kWh	0.0003
Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0016)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0051
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0042
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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approved schedules of Rates, Charges and Loss Factors	E	B-2008-0235
General Service 50 to 4,999 kW		
Service Charge Smart Meter Funding Adder Distribution Volumetric Rate Foregone Distribution Revenue Rate Rider – effective until April 30, 2010 Deferral Account Rate Rider – effective until April 30, 2011 Retail Transmission Rate – Network Service Rate Retail Transmission Rate – Line and Transformation Connection Service Rate Retail Transmission Rate – Network Service Rate – Interval Metered Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered Wholesale Market Service Rate Rural Rate Protection Charge Standard Supply Service – Administrative Charge (if applicable)	\$ \$ \$/kW \$/kW \$/kW \$/kW \$/kW \$/kW \$/kWh \$/kWh	289.12 1.00 1.6023 0.0398 (0.5778) 1.7969 1.5401 2.3042 2.1460 0.0052 0.0013 0.25
General Service 50 – 4,999 kW (Co-Generation)		
Service Charge Smart Meter Funding Adder Distribution Volumetric Rate Foregone Distribution Revenue Rate Rider – effective until April 30, 2010 Deferral Account Rate Rider – effective until April 30, 2011 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 \$/kW \$/kW \$/kW \$/kWh \$/kWh \$/kWh	2,667.75 1.00 4.6542 0.0452 (0.2552) 2.6600 2.2700 0.0052 0.0013 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).  Foregone Distribution Revenue Rate Rider – effective until April 30, 2010  Deferral Account Rate Rider – effective until April 30, 2011	\$/kW \$/kW \$/kW	2.3733 0.0452 (0.2552)
Large Use		
Service Charge Smart Meter Funding Adder Distribution Volumetric Rate Foregone Distribution Revenue Rate Rider – effective until April 30, 2010 Deferral Account Rate Rider – effective until April 30, 2011 Retail Transmission Rate – Network Service Rate – Interval Metered Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered Wholesale Market Service Rate Rural Rate Protection Charge Standard Supply Service – Administrative Charge (if applicable)	\$ \$/kW \$/kW \$/kW \$/kW \$/kWh \$/kWh \$/kWh	17,479.04 1.00 1.9302 0.0481 (0.7001) 2.3603 2.1460 0.0052 0.0013 0.25

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approved schedules of Rates, Charges and Loss Factors	EI	B-2008-0235
Unmetered Scattered Load		
Service Charge (per connection) Distribution Volumetric Rate Foregone Distribution Revenue Rate Rider – effective until April 30, 2010 Deferral Account Rate Rider – effective until April 30, 2011 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 \$/kWh \$/kWh	1.13 0.0094 0.0002 (0.0016) 0.0051 0.0042 0.0052 0.0013 0.25
Sentinel Lighting		
Service Charge (per connection) Distribution Volumetric Rate Foregone Distribution Revenue Rate Rider – effective until April 30, 2010 Deferral Account Rate Rider – effective until April 30, 2011 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 \$/kW \$/kW \$/kW \$/kWh \$/kWh \$	1.82 5.9054 0.1717 (0.4643) 1.5843 1.3578 0.0052 0.0013 0.25
Street Lighting		
Service Charge (per connection) Distribution Volumetric Rate Foregone Distribution Revenue Rate Rider – effective until April 30, 2010 Deferral Account Rate Rider – effective until April 30, 2011 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 \$/kW \$/kW \$/kWh \$/kWh \$/kWh	0.86 4.3630 0.1296 (0.2904) 1.5822 1.3561 0.0052 0.0013 0.25
Specific Service Charges		
Customer Administration Easement letter Account set up charge/change of occupancy charge (plus credit agency costs if applicable) Returned Cheque (plus bank charges)	\$ \$ \$	15.00 30.00 15.00
Non-Payment of Account Late Payment - per month Late Payment - per annum Collection of Account Charge — No Disconnection Disconnect/Reconnect at meter — During regular hours Disconnect/Reconnect at meter — After regular hours Disconnect/Reconnect at Pole — During regular hours Disconnect/Reconnect at Pole — After regular hours	% % \$ \$ \$ \$	1.50 19.56 10.00 35.00 185.00 185.00 415.00

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Meter Interrogation Charge Special Meter Reads Install/Remove load control device – During regular hours Install/Remove load control device – After regular hours Temporary Service install & remove – overhead – no transformer Temporary Service install & remove – underground – no transformer Service Call – After regular hours Specific Charge for Access to the Power Poles – per pole/year	\$\$\$\$\$\$\$	5.50 30.00 65.00 185.00 500.00 300.00 165.00 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	\$/kW %	(0.60) (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 retaile 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 Service Transaction Requests (STR)	r \$ \$ \$/cust. \$/cust. \$/cust.	. 0.30
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		1.0409 1.0141 1.0305 1.0041