



EB-2009-0177

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 Middlesex
Power Distribution Corporation for an order approving just
and reasonable rates and other charges for electricity
distribution that are charged within the Dutton Hydro
Limited service area to be effective October 1, 2009.

BEFORE: Paul Vlahos
Presiding Member

DECISION

January 25, 2010

BACKGROUND

Middlesex Power Distribution Corporation (“Middlesex Power”) filed an application with the Ontario Energy Board (the “Board”) under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B), seeking approval for changes to the rates that are charged within the Dutton Hydro Limited (“Dutton Hydro”) service area, to be effective October 1, 2009.

Dutton Hydro was a licensed electricity distributor serving approximately 600 customers in the Village of Dutton. On February 9, 2009, the Board approved Middlesex Power’s acquisition of Dutton Hydro and Newbury Power Inc. (EB-2008-0332). As part of the record of that proceeding, it was noted that Dutton Hydro’s rates have not been adjusted since 2001. Middlesex Power and Dutton Hydro proposed to file a 2006 cost of service application for the Dutton Hydro service area based on a 2004 historical text year and incentive rate mechanism (“IRM”) adjustments for 2007, 2008 and 2009. This process would bring Dutton Hydro to the same stage as Middlesex Power and Newbury Power Inc. in preparation for rate rebasing on a merged basis in 2014.

In the EB-2008-0332 Decision, the Board stated that, “The proposal by Middlesex Power is aimed at rationalizing Dutton Hydro’s rates using the identical rate adjustment processes that were used by Middlesex Power and Newbury Power over the 2006 to 2009 period. This would bring Dutton Hydro to the same level as the other two service areas so that a rebasing of the consolidated entity would be possible in the future. The proposal does not involve a future test year application but is designed to enable the Applicant to deal with the technical and financial obligations arising out of the Dutton Hydro service area going forward to 2014.”¹

Middlesex Power filed the Dutton Hydro rate application on June 11, 2009, and subsequently updated the application on June 29, 2009.

The Board assigned the application File No. EB-2009-0177. The Board issued a Notice of Application and Hearing on July 15, 2009 and the Applicant published the notice on July 22, 2009. No parties applied for intervenor status and no requests for observer status were received.

¹ Decision and Order, Middlesex Power Distribution Corporation, EB-2008-0332, Page 6

Using the Board's 2006 EDR model, the Applicant's June 29, 2009 filing showed a base revenue requirement of \$187,305. This level of base revenue requirement along with the proposed disposition of regulatory assets and changes to other rates and charges in the application, including the impact of three years of IRM, would have increased customers' bills dramatically. The Applicant therefore proposed a mitigation plan. The bill impacts with and without mitigation are shown in the table below.

Bill Impacts – Proposed vs Current Rates

Bill Impacts	Delivery		Total Bill	
	2006-2009	2006-2009 with Mitigation Plan	2006-2009	2006-2009 with Mitigation Plan
Residential (1,000 kWh)	110.7%	31.4%	33.3%	11.0%
GS < 50 kW (2,000 kWh)	123.1%	29.5%	31.5%	9.3%

Procedural Order No. 1 was issued on August 14, 2009 and made provision for written interrogatories and written submissions. Pursuant to Procedural Order No. 1, Board staff filed interrogatories on August 28, 2009. On September 2, 2009, Middlesex Power filed correspondence stating that due to unforeseen circumstances, the responses to Board staff interrogatories would not be filed by the deadline of September 14, 2009.

Procedural Order No. 2 was issued on September 25, 2009 cancelling the dates set out in the previous procedural order. The Board stated that it would set dates for the filing of submissions after Middlesex Power filed responses to interrogatories.

On October 21, 2009, Middlesex Power filed responses to Board staff interrogatories. Middlesex Power informed the Board that, in the course of preparing interrogatory responses, Middlesex Power discovered that the distribution rates charged by Dutton Hydro to its customers since May 1, 2005 had not been approved by the Board. On November 3, 2009, Middlesex Power filed a revised mitigation plan, whereby it would refund amounts overcharged from May 1, 2005 to December 31, 2009. The mitigation plan was subsequently updated on November 13, 2009. The bill impacts associated

with the mitigation plan filed on November 13, 2009 are the same as those associated with the mitigation plan filed on June 29, 2009.

Pursuant to Procedural Order No. 3, Board staff filed a written submission on December 11, 2009 and the Applicant filed a reply submission on January 4, 2010.

The full record of the proceeding is available at the Board's offices. The Board has chosen to summarize the record to the extent necessary to provide context to its findings.

THE ISSUES

The Board addresses in this Decision the issues listed below. Otherwise, the Board accepts for ratemaking purposes all other components underpinning the proposed rates and charges.

- Rate Base
- Distribution Expenses
- Cost of Capital
- Payments in Lieu of Income Taxes
- Loss Factor
- Regulatory Asset Recovery
- Smart Meter Adder
- Retail Transmission Service Rates
- Incentive Rate Mechanism ("IRM")
- Rate Mitigation Plan
- Implementation

RATE BASE

The Applicant requested a Tier 1 adjustment of \$8,500 related to PCB elimination and \$40,000 related to replacement of poles. In response to interrogatories and in support of its request, the Applicant provided a 2008 report from an external consultant summarizing assessments of poles and transformers. The Board staff submission noted that this work does not technically meet the Tier 1 rate base criteria listed on page 12 of the 2006 EDR Handbook, e.g. new transformer stations with in-service date of 2005. However, staff noted that this application for 2006 cost of service is filed in 2009

and that the type of expense and the level of expense is reasonable and supported by the evidence. The Applicant did not provide any comment on this matter in its reply submission.

On the basis of the evidence provided by the Applicant in support of the proposed Tier 1 adjustment of \$8,500 related to PCB elimination and \$40,000 related to replacement of poles, the Board approves these as reasonable.

DISTRIBUTION EXPENSES

Dutton Hydro did not have any employees for the period which data has been provided in this proceeding. All of the maintenance and administration services were provided by the Village of Dutton/Dunwich, and billing and collecting services were provided by Enwin Utilities from 2002 to 2005 and by Chatham Kent Utility Services from 2006 to 2009. Staff noted in its submission that the year to year trends in distribution expenses for these services are irregular, ranging from -31% to 33% for the 2002 to 2004 period and from -45% to 124% in the 2005 to 2009 period. Staff noted that Middlesex Power was unable to provide comments on these trends as the Dutton Hydro records are limited. Staff submitted that the Board may wish to consider accepting the proposed 2004 distribution expense level for rate setting purposes. Staff also submitted that the amalgamation will likely result in improved record keeping by the new owners going forward and that the new owners will monitor distribution expense trends and provide rationale for trends in future rate applications.

In addition to the standard adjustments allowed by the 2006 EDR model, the Applicant proposed a Tier 1 adjustment for a \$3,500 expense related to Electrical Safety Authority ("ESA") fees. In response to interrogatories, the Applicant stated that the fees became effective after 2004 and its proposed recovery is for a non-routine expense. Staff submitted that the expense does not technically meet the Tier 1 distribution expense criteria listed on page 12 of the 2006 EDR Handbook. However, staff noted that the current application for 2006 cost of service is filed in 2009 and submitted that the nature of the expense and the level of the expense is reasonable.

The Applicant also proposed a Tier 1 adjustment of \$15,000 related to low voltage expenses. In response to interrogatories, the Applicant provided the details of low voltage charges it incurred for the period 2002 to 2004. The Applicant determined that the Tier 1 adjustment for low voltage expenses should be \$11,377, and not \$15,000.

The Applicant confirmed that the Dutton Hydro current rates do not include any charges for the low voltage expenses it incurs. Staff submitted that the adjustment of \$11,377 is reasonable.

The Board finds the Tier 1 distribution expense adjustments of \$3,500 related to ESA fees and the low voltage charges of \$11,377 to be reasonable. The Applicant requested that the implementation of the Tier 1 adjustment related to low voltage charges should be delayed as part of its mitigation plan. The Board will address this matter later in this Decision, under the mitigation plan section.

COST OF CAPITAL

Based on the 2006 EDR Handbook, a 50/50 debt/equity capital structure is appropriate as Dutton Hydro has net fixed assets of less than \$100 million. The Applicant also requested IRM adjustments for 2007, 2008 and 2009, and a movement from 50/50 to 56.7/43.3 debt/equity capital structure. In its submission, Board staff noted that the Applicant proposed a weighted average cost of capital of 7.50% based on a 56.7/43.3 debt/equity split. Board staff submitted that the Board may wish to consider that the k factor adjustment embedded within the IRM models for 2008 and 2009 is meant to transition the 2006 starting point for the capital structure from the 50/50 split to 56.7/43.3. This has been the approach used in rate applications to transition utilities towards the common capital structure of 60% debt and 40% equity, consistent with the *Report of the Board on Cost or Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors*, issued December 20, 2006.

The application stated that Dutton Hydro currently does not have any actual debt and requested a deemed debt rate of 6.25%, consistent with the Board's 2006 long term debt rate for small distributors (with a rate base of less than \$100 million). The ROE used in the application was the Board's approved rate in 2006 of 9.00%. Board staff submitted that it had no concerns with this part of the Applicant's proposal.

The Applicant stated in its reply submission that it sought to simplify the IRM adjustments for k factors. The Applicant stated that, rather than starting with a 50/50 debt/equity split and applying k factor adjustments to achieve the 56.7/43.3 debt/equity split, it used the 56.7/43.3 debt/equity split in its 2006 proposal. The Applicant reported an error in the calculation of the weighted average cost of capital and revised it from 7.5% to 7.44%.

The Board notes that this is an unusual multi year application combining cost of service and three years of IRM, and that the Applicant has not simulated four separate years of cost of capital adjustments but rather has chosen to simplify the IRM adjustments. The Board finds that the proposed cost of capital is reasonable. Accordingly, the Board finds that the Applicant's distribution rates will be based on the following deemed capital structure.

Capital Component	% of Total Capital Structure	Cost rate (%)
Debt	56.7	6.25
Equity	43.3	9.00
Weighted Average Cost of Capital		7.44

PAYMENTS IN LIEU OF INCOME TAXES

In response to interrogatories, the Applicant stated that it does have loss carry forwards which are greater than the target net income found on Schedule 4-1 of the 2006 EDR model. The Applicant noted that it is in the process of verifying the amount with the Ministry of Finance. The Applicant estimated the payment in lieu of taxes to be nil and it did not file a tax model with its application.

The Applicant also noted the following:

“The loss carry forward is being applied to the future taxable income which is being estimated to be zero due to taking into account the loss carry forward. Therefore, there will not be any PILs recovered in rates which is a benefit to the customers. At the time of the next rate rebasing any potential loss carry forward will be provided and will again reduce payment in lieu of taxes being recovered from the customers.”

Board staff submitted that the Board may wish to consider accepting the nil PILs proxy for rate setting purposes as proposed by the Applicant, but staff noted that the Board consider this to be an approval on a final basis.

In reply submission, the Applicant acknowledged that should taxes arise for the applicable period, the amount owing will be the responsibility of the shareholder.

The Board accepts the nil PILs proxy for rate setting purposes. This approval is on a final basis.

LOSS FACTOR

In the application update filed on June 29, 2009, the Applicant proposed a supply facility loss factor of 1.034, a distribution loss factor of 1.0611 and a total loss factor ("TLF") of 1.0951. The Applicant was only able to provide data for the years 2007 and 2008 to support its application for the loss factor. The TLF for 2007 and 2008 was reported as 1.0972 and 1.0929 respectively.

A Board staff interrogatory observed that a TLF of 1.05 was noted in the 2006 EDR model, but a TLF of 1.0662 was listed as the current loss factor in the IRM Rate Generator Model. The interrogatory sought the data to support historical loss factors. In its response, the Applicant stated that the information is unavailable from the previous owners.

Board staff submitted that the loss factor proposed is unreasonably high. Dutton Hydro lacks records that could be analyzed for loss factor trends. Accordingly, staff suggested that little confidence can be placed in the 2007 and 2008 data. For comparison, examples of TLF that have been approved for small distributors would include Hydro 2000 Inc. at 1.066 (EB-2007-0704) and Rideau St. Lawrence Distribution Inc. at 1.076 (EB-2007-0762). Dutton Hydro's 2007 and 2008 loss factor data suggest metering inaccuracies and/or an inordinately high number of unmetered loads.

Through the interrogatory process Board staff also sought a detailed loss factor mitigation plan, as required by the 2006 EDR Handbook for distribution loss factors greater than 5%. In response the Applicant stated that some investments in switch replacements and transformer upgrades will be made and some equipment will be relocated to eliminate tree contacts. The Applicant stated that investing in monitoring systems will provide the data necessary to analyze and optimize the distribution system to improve losses.

In its submission, Board staff recommended that the Board set the deemed TLF at 6.62%. The setting for the TLF at over 9% would be unprecedented and there is simply no reliable evidence supporting this number. The lower 6.62% is found in the IRM models and appears to represent the currently applied total loss factor. Staff noted that any variances between actual and deemed loss factors are tracked in account 1588 Power. Staff also recommended that the Applicant be directed to file a plan to reduce

distribution losses with the next cost of service application as Hydro 2000 was directed to file in its 2006 Decision (RP-2005-0020/EB-2005-0380).

In its reply submission, the Applicant agreed that the TLF should be set at 6.62% as submitted by Board staff. The Applicant noted that it will be addressing distribution losses and establishing a GIS/AM/FM system to provide the data necessary to analyze and optimize the distribution system.

The Board agrees that the TLF should be set at 6.62%. However, the magnitude and accuracy of the 2007 and 2008 loss factor data provided in this application are of concern. The Board expects the Applicant to file a plan in the next rebasing application to address line losses pertaining to the service area currently served by Dutton Hydro.

REGULATORY ASSET RECOVERY

The Applicant requested disposition of balances as of December 31, 2004, in RSVA accounts 1580, 1582, 1584 and 1586 and in account 1508. The balances, which also include Hydro One charges during 2005, are set out below. This request is the first instance in which the Applicant has requested recovery of its regulatory asset balances since market opening.

Regulatory Asset Balances

Account Number	Account Description	Principal Balance
1580	RSVA – Wholesale Market Service Charge	\$24,812
1582	RSVA – One-time Wholesale Market Service	\$1,018
1584	RSVA – Retail Transmission Network Charge	\$2,233
1586	RSVA – Retail Transmission Connection Charge	\$111,943
1508	Other Regulatory Assets	\$3,355
	TOTAL	\$143,361

(Source: Continuity Schedule, Response to Board staff Interrogatory #14)

The Applicant reported that the principal balance above with interest to December 31, 2009 amounts to \$163,620. The Applicant's plan, as filed on June 29, 2009, was to obtain approval for the amounts to be recovered, but to delay the timing of the recovery to the next IRM period as part of the mitigation plan.

Through interrogatories, Board staff requested that the Applicant complete a continuity schedule and to determine rate riders assuming recovery of December 31, 2008 balances with interest to January 1, 2010. The Applicant replied to this interrogatory with an updated interest calculation but the response indicated no further transactions beyond those listed in the table above.

Board staff submitted that there is no known reason why principal transactions beyond 2004 would not have occurred and that it was unclear to Board staff whether this was simply an option chosen by the Applicant in order to defer additional bill impacts in the near term or whether transactions beyond 2004 are not available. Staff invited the Applicant in its reply submission to clarify the status of the post 2004 transactions for the purposes of context only. As for the matter of the 2004 balances, staff recommended that the Board accept the proposed balances for disposition.

The Applicant stated in its reply submission that it had misinterpreted the interrogatory relating to principal transactions beyond 2004 and mistakenly only provided updated carrying costs on the regulatory assets through January 1, 2010. The Applicant confirmed that principal transactions have occurred beyond 2004. The Applicant stated that these balances will be brought forward for review and disposition in a future rate application.

The Board accepts the \$163,620 balance, representing the principal balance as of December 31, 2004 and interest forecast to December 31, 2009. Disposition of the amount of \$163,620 is dealt with below under the mitigation plan section of this Decision.

SMART METER ADDER

In the application filed in June 2009, the Applicant proposed a \$1.00 smart meter rider to minimize the impact of full deployment of smart meters in 2010. The application noted that Dutton Hydro was purchased by Middlesex Power and that the latter is one of the 13 distributors authorized to undertake smart metering activities. Middlesex Power will install the smart meters for Dutton Hydro customers in 2010.

The Board staff submission clarified that the request should be for an adder, not a rider. The Applicant confirmed in its reply submission that the proposal is for an adder.

The Applicant requested that the implementation of the smart meter adder should be delayed as part of the mitigation plan.

The Board finds the proposed \$1.00 smart meter adder reasonable and approves it. The Applicant requested that the implementation of the smart meter adder be delayed as part of its mitigation plan. The Board deals with this matter later in this Decision, under the mitigation plan section.

RETAIL TRANSMISSION SERVICE RATES (“RTSR”)

In the June 2009 application, the Applicant filed for a uniform increase of 11.3% for the network charge and 5.5% for the connection charge, to comply with the Board's Guideline *Electricity Distribution Retail Transmission Service Rates [G-2008-0001]* issued on October 22, 2008. The Applicant requested that the RTSR increases be deferred to the next rate application as part of the mitigation plan.

In its submission, Board staff noted that the guideline was revised on July 22, 2009 to reflect the Decision and Rate Order in proceeding EB-2008-0272, setting new Uniform Transmission Rates for Ontario transmitters, effective July 1, 2009. The guideline also noted that transmission rates will change on January 1, 2010. Accordingly, staff submitted that the requested increases are not appropriate. In addition, while the Applicant has recorded a large debit balance in its retail transmission connection variance account (1586) as of December 31, 2004, there is no updated information on this balance in this application. In light of the Applicant's wish to defer the implementation of RTSR increases, staff suggested that the current level of RTSRs remain in place and that the Applicant apply for RTSR adjustments as part of its 2010 IRM application. The revised filing guidelines should be followed for that application.

The Applicant in its reply submission agreed with the staff suggestion.

The Board agrees with the submissions of the parties. The current level of RTSRs will remain in place for now.

INCENTIVE RATE MECHANISM

As part of its application, Middlesex Power applied to have Dutton Hydro rates adjusted for 2007, 2008 and 2009 on the basis of the 2nd Generation Incentive Rate Mechanism

("IRM") process, which provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

To streamline the process for the approval of distribution rates and charges for distributors, the Board issued its *Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors* (the "Report") on December 20, 2006.

As outlined in the Report, distribution rates under the 2nd Generation IRM are to be adjusted by a price escalator less a productivity factor (X-factor) of 1.0%. The Applicant applied for the mechanistic and formulaic IRM process for the years 2007, 2008 and 2009. The Applicant's request for each of the three years is as follows:

Price Cap Adjustment

	Price Escalator (GDP-IPI)	Productivity Factor (X-factor)	(GDP-IPI) – X
2007	1.9%	1.0%	0.9%
2008	2.1%	1.0%	1.1%
2009	2.3%	1.0%	1.3%

Board staff submitted that the request is reasonable and that the Applicant has entered the correct data and implemented the mechanics of the IRM models appropriately.

The Board finds that the price cap adjustments proposed by the Applicant for 2007, 2008 and 2009 are reasonable.

RATE MITIGATION PLAN

The application, as updated on June 29, 2009, would result in the total bill impact of 33.3% for a typical residential customer (1,000 kWh) and 31.5% for a typical GS<50 customer (2,000 kWh). The Applicant proposed a mitigation plan consisting of deferral of a) low voltage charges, b) regulatory asset recovery, c) smart meter adder and d) RTSR adjustments. The Applicant determined that the total bill impacts would drop to 11.0% for a typical residential customer and to 9.3% for a typical GS<50 customer.

In the course of preparing interrogatory responses, Middlesex Power discovered that the distribution rates charged by Dutton Hydro to its customers are not Board-approved rates. In response to interrogatories, the Applicant confirmed that Dutton Hydro has not had a rate change since the initial unbundling (RP-2000-0195/EB-2000-0430/EB-2001-0181). A proceeding in 2004 revised specific service charges, but did not change the distribution rates (RP-2004-0176/EB-2004-0263).

In response to an interrogatory, the Applicant informed the Board that higher distribution rates, not approved by the Board, have been charged since May 1, 2005. The Applicant stated that it would file a proposal to rectify the situation and that this proposal might amend the mitigation plan filed previously.

The Board issued correspondence relating to the charging of rates that are not Board approved on October 28, 2009. The Board stated:

“Any issues relating to this matter may be examined as part of the current rates proceeding, including your proposal or other remedial options aimed at rectifying the situation. Following the completion of the subject proceeding, the Board will re-assess the matter and will determine at that time whether to proceed with any compliance action.”

On November 3, 2009, Middlesex Power filed a revised mitigation plan to refund amounts overcharged from May 1, 2005 to December 31, 2009. The plan was subsequently updated on November 13, 2009.

The Applicant calculated the amount overcharged from May 1, 2005 to December 31, 2009 to be \$82,353. The Applicant had estimated the final months of 2009, and Board staff submitted that the estimate appears to be reasonable. The Applicant proposed to return the amount overcharged through an offset of regulatory asset recovery. The Applicant proposed to recover \$82,353 in regulatory assets through a volumetric rate rider and return \$82,353 to customers through a volumetric credit rider in this application. Accordingly, the Applicant stated that the bill impacts would not change. The Applicant proposed to recover the remaining regulatory asset balances i.e. \$81,267 (\$163,620 - \$82,353) over a two year period to begin with the next rate application. The Applicant stated that the proposal will not materially impact consumers beyond the 10% threshold. Staff submitted that the proposal was reasonable.

The Applicant filed an updated 2006 EDR model and updated IRM model with its reply submission. The revised bill impacts reflecting cost of capital adjustment from 7.5% to 7.44%, and TLF adjustment from 1.0951 to 1.0662 are shown in the following table. The revised bill impacts reflecting the mitigation plan are also summarized below.

Revised Bill Impacts – Proposed vs Current Rates

Bill Impacts	Delivery		Total Bill	
	2006-2009	2006-2009 with Mitigation Plan	2006-2009	2006-2009 with Mitigation Plan
Residential (1,000 kWh)	108.1%	30.2%	30.7%	8.8%
GS < 50 kW (2,000 kWh)	120.0%	28.1%	28.8%	7.0%

Elsewhere in this Decision, the Board found the current level of RTSRs should remain in place for reasons other than mitigation.

The Board accepts the proposed postponement of implementing the Tier 1 low voltage charge adjustment and the smart meter adder.

Elsewhere in this Decision, the Board approved the amount of \$163,620, representing the principal balance as of December 31, 2004 and interest forecast to December 31, 2009, as recoverable regulatory assets.

While the Applicant's initial mitigation plan proposed deferring disposition to a future rate application, that plan was proposed before the Applicant discovered that it was charging rates that were not Board-approved. The Applicant now proposes to recover some of the regulatory assets through a volumetric rate rider and return the same amount through a volumetric credit rider in this application in order to refund the overcharged amounts and to retain the total bill impacts at the same level.

The Board finds the Applicant's proposal to be unnecessarily complicated. The Board finds that the amount of regulatory assets that the Applicant may recover is \$163,620 less the amount that has been overcharged. In its reply submission the Applicant

calculated the amount overcharged through non-Board-approved rates up to December 31, 2009. Later in this Decision, the Board finds that the new rates will be effective March 1, 2010. Consequently, the Applicant shall provide an updated calculation in the draft Rate Order of the amount overcharged including the period January 1, 2010 to February 28, 2010.

The Board does not need to make a finding in this proceeding on the appropriate commencement date or time period over which the residual amount of regulatory assets will be recovered. The regulatory treatment of that residual amount will be the subject of a future rate proceeding. The Applicant may propose its two year recovery plan at the time it files its next rates application.

IMPLEMENTATION

The Applicant's original application was filed on June 11, 2009 and it requested rates effective October 1, 2009. It is not procedurally feasible to process a rate application in 112 days, even a straight forward, well documented application. In this particular case, processing and review was delayed due to the late filing of interrogatory responses and the complication of dealing procedurally with the matter of charging non-Board-approved rates. Given the date of this Decision, instituting an October 1, 2009 effective date would cause rate retroactivity. The Board has stated on many occasions that it does not endorse rate retroactivity. Therefore, as has often been the case for other distributors, the Board finds that the new rates shall be effective on the same date as the implementation date. Given that there will be some time required for the Rate Order to be finalized, the Board approves an effective date of March 1, 2010. For additional clarity, the foregone revenue from October 1, 2009 to February 28, 2010 is not recoverable.

In filing its draft Rate Order, it is the Board's expectation that the Applicant will file detailed supporting material, including all relevant calculations and excel spreadsheets.

A Rate Order will be issued after the steps set out below are completed.

THE BOARD DIRECTS THAT:

1. Middlesex Power shall file with the Board a draft Rate Order attaching a proposed Tariff of Rates and Charges reflecting the Board's findings in this Decision, within 7 days of the date of this Decision. The draft Rate Order shall also include customer rate impacts and detailed supporting information showing the calculation of the final rates and charges.
2. Board staff shall file any comments on the draft Rate Order with the Board and forward to Middlesex Power within 7 days of the date of filing of the draft Rate Order.
3. Middlesex Power shall file with the Board any comments on its draft Rate Order within 7 days of the date of receipt of submissions from Board staff.

Middlesex Power shall pay the Board's costs, if any, that are incidental to this proceeding upon receipt of the Board's invoice.

DATED at Toronto, January 25, 2010

ONTARIO ENERGY BOARD

Original Signed By

Paul Vlahos
Presiding Member