



**EB-2008-0246**

**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 Tillsonburg  
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:** Paul Vlahos  
Presiding Member

Ken Quesnelle  
Member

### **DECISION AND RATE ORDER**

Tillsonburg Hydro Inc. ("THI") is a licensed distributor of electricity providing service to the Town of Tillsonburg. On August 22, 2008, THI filed its initial application with the Ontario Energy Board (the "Board") for an order approving or fixing just and reasonable rates and other charges for the distribution of electricity, to be effective May 1, 2009.

The Board assigned file number EB-2008-0246 to the application and issued a Notice of Application and Hearing on September 11, 2008. On October 24, 2008, THI advised the Board that it would be filing an update to its evidence to reflect changing demand and energy consumption forecasts as a result of prevailing economic conditions, as well as changes to transmission rates and Regulated Price Plan prices. On December 15,

2008, the Applicant filed its updated evidence with the Board and the intervenors of record. As a result of the updated material, a Notice of Revised Application was issued on January 12, 2009. Further updates were filed by THI on April 15, 2009.

The Board's decision regarding the application was issued July 10, 2009 (the "Decision"). In the Decision, the Board ordered that the rates be developed assuming an effective date of June 15, 2009 and implemented as of September 1, 2009. The Board ordered THI to file a Draft Rate Order reflecting the Board's findings including detailed supporting material, all relevant calculations showing the impact of the Decision on its proposed revenue requirement, the allocation of the approved revenue requirement to the classes and the determination of the final rates. In addition, the Board directed THI to calculate rate riders that would recover the foregone distribution revenue from June 15, 2009 to August 31, 2009 and the appropriate time period for recovery.

THI filed its material on July 24, 2009. Board staff, the School Energy Coalition and Energy Probe Research Foundation filed submissions on the material on July 31, 2009. On August 7, 2009 THI filed its response to the submissions and revised Draft Rate Order material.

In the Decision, the Board indicated that should the rates reflecting the Decision result in bill impacts greater than 10% to typical customers as customarily measured by the Board, the Board expected THI to identify and report these situations. The rates reflecting the Decision result in bill impacts greater than 10% for some of the customers. THI provided a rate mitigation proposal to offset these impacts, primarily through modifications to the proposed levels of the revenue to cost ratios. However, despite these bill impacts, THI stated that it would prefer to implement the findings in the Decision, specifically with regard to the revenue to cost ratio levels, and not introduce any rate mitigation measures. In this particular application, the Board agrees with THI that the revisions to the cost allocation and rate design to reflect the Board's guidelines supersede the need for the application of any rate mitigation measures.

The Decision approved the proposed splitting of THI's current General Service 500 to 5,000 kW class into two new classifications; namely, General Service 500 to 1,499 kW and General Service Equal to or Greater than 1,500 kW. The application of the Decision's finding with regard to the maintenance of the levels of the current monthly service charges would result in a volumetric rate for the General Service 500 to 1,499

kW class to be less than the Transformer Ownership Allowance. To allow for a volumetric rate greater than the Transformer Ownership Allowance, THI proposed a reduction in the level of the fixed charge from the monthly service charge for the current General Service 500 to 5,000 kW class such that the level of the distribution volumetric rate for the class will be greater than the Transformer Ownership Allowance. The Board agrees that because of the splitting of the current classification into two new classes and the resultant cost allocation to this class, the strict application of the finding would result in less than ideal rates. As a result, the Board directs that the Decision is amended to allow for the application of the proposed rates for the General Service 500 to 1,499 kW class.

The Board is otherwise satisfied that the proposed Tariff of Rates and Charges in the August 7, 2009 filing reasonably reflects the Board's Decision.

**THE BOARD ORDERS THAT:**

1. The Tariff of Rates and Charges set out in Appendix "A" of this Rate Order is approved, effective June 15, 2009, but implemented on September 1, 2009 for electricity consumed or estimated to have been consumed on and after September 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 Board for Tillsonburg Hydro Inc. and is final in all respects.
3. Tillsonburg Hydro Inc. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

**DATED** at Toronto, August 31, 2009

*Original Signed By*

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Paul Vlahos  
Presiding Member

*Original Signed By*

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Ken Quesnelle  
Member

**Appendix “A”**

**To The Decision and Rate Order Arising from Decision  
EB-2008-0246**

**Tillsonburg Hydro Inc.**

**August 31, 2009**

# **Tillsonburg Hydro Inc.**

## **TARIFF OF RATES AND CHARGES**

### **Effective June 15, 2009**

### **Implementation September 1, 2009**

**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 – Sept. 1, 2009 for all consumption or deemed consumption services used on or after that date.
- SPECIFIC SERVICE CHARGES – Sept. 1, 2009 for all charges incurred by customers on or after that date.
- RETAIL SERVICE CHARGES – Sept. 1, 2009 for all charges incurred by retailers or customers on or after that date.
- LOSS FACTOR ADJUSTMENT – Sept. 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 in one of three categories of residential services: single-family or single-unit homes, multi-family buildings, and subdivision developments. Further servicing details are available in Tillsonburg Hydro's Conditions of Service.

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

This classification applies to a non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in Tillsonburg Hydro's Conditions of Service.

##### **General Service 50 to 499 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 500 kW. Further servicing details are available in Tillsonburg Hydro's Conditions of Service.

##### **General Service 500 to 1,499 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, 500 kW but less than 1,500 kW. Further servicing details are available in Tillsonburg Hydro's Conditions of Service, currently under General Service 500 – 4,999 kW.

##### **General Service Equal to or Greater than 1,500 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, 1,500 kW. Further servicing details are available in Tillsonburg Hydro's Conditions of Service, currently under General Service 500 – 4,999 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, 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 Tillsonburg 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

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are available in Tillsonburg Hydro's Conditions of Service.

# Tillsonburg Hydro Inc.

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

### **MONTHLY RATES AND CHARGES**

#### **Residential**

Service Charge	\$	11.39
Smart Meter Funding Adder	\$	0.50
Distribution Volumetric Rate	\$/kWh	0.0195
Foregone Distribution Revenue Rate Rider – effective until April 30, 2010	\$/kWh	0.0012
LRAM/SSM Rate Rider – effective until April 30, 2010	\$/kWh	0.0006
Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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

Service Charge	\$	24.77
Smart Meter Funding Adder	\$	0.50
Distribution Volumetric Rate	\$/kWh	0.0151
Foregone Distribution Revenue Rate Rider – effective until April 30, 2010	\$/kWh	0.0016
Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0006)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040
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 50 to 499 kW**

Service Charge	\$	111.50
Smart Meter Funding Adder	\$	0.50
Distribution Volumetric Rate	\$/kW	1.4654
Foregone Distribution Revenue Rate Rider – effective until April 30, 2010	\$/kW	0.2043
Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.3261)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8219
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5486
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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**General Service 500 to 1,499 kW**

Service Charge	\$	1,000.00
Smart Meter Funding Adder	\$	0.50
Distribution Volumetric Rate	\$/kW	0.6794
Foregone Distribution Revenue Rate Rider – effective until April 30, 2010	\$/kW	(0.0246)
Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.4215)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.3874
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.1092
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 Equal to or Greater than 1,500 kW**

Service Charge	\$	1,158.16
Smart Meter Funding Adder	\$	0.50
Distribution Volumetric Rate	\$/kW	2.2975
Foregone Distribution Revenue Rate Rider – effective until April 30, 2010	\$/kW	0.5867
Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.5175)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.3874
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.1092
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Unmetered Scattered Load**

Service Charge (per connection)	\$	12.38
Distribution Volumetric Rate	\$/kWh	0.0243
Foregone Distribution Revenue Rate Rider – effective until April 30, 2010	\$/kWh	0.0046
Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0006)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Sentinel Lighting**

Service Charge (per connection)	\$	1.18
Distribution Volumetric Rate	\$/kW	12.4459
Foregone Distribution Revenue Rate Rider – effective until April 30, 2010	\$/kW	1.6599
Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	0.4117
Retail Transmission Rate – Network Service Rate	\$/kW	1.5001
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2750
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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**Street Lighting**

Service Charge (per customer)	\$	1,336.76
Distribution Volumetric Rate	\$/kW	9.4849
Foregone Distribution Revenue Rate Rider – effective until April 30, 2010	\$/kW	1.6127
Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.1678)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4962
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2716
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Specific Service Charges**

<b>Customer Administration</b>		
Returned Cheque (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special Meter Reads	\$	30.00
<b>Non-Payment of Account</b>		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect Charge at Meter - During Regular Hours	\$	65.00
Disconnect/Reconnect Charge at Meter - After Regular Hours	\$	185.00
Disconnect/Reconnect Charge at Pole – During Regular Hours	\$	185.00
Install/Remove Load Control Device – After Regular Hours	\$	185.00
Service Call – After Regular Hours	\$	165.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
<b>Allowances</b>		
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)
<b>Service Transaction Requests (STR)</b>		
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

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**LOSS FACTORS**

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0420
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0320
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A