



EB-2008-0232

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 Hydro One Remote Communities Inc. for an order approving or fixing just and reasonable rates and other charges for the generation, transmission and/or distribution of electricity to be effective May 1, 2009.

BEFORE: Cynthia Chaplin
Presiding Member

Paul Sommerville
Member

RATE ORDER

Hydro One Remote Communities Inc (“Remotes” or the “Company”) is a licensed distributor of electricity providing service to consumers within its licensed service area. On August 29, 2008, Remotes filed an application with the Ontario Energy Board (the “Board”) for an order approving or fixing just and reasonable rates and other charges for the generation, transmission and/or distribution of electricity, to be effective May 1, 2009.

The Board assigned file number EB-2008-0232 to the application and issued a Notice of Application and Hearing on September 12, 2008. The Department of Indian Affairs and Northern Development (“DIAND”); Energy Probe; and the Nishnawbe Aski Nation (“NAN”) were granted intervenor status in this proceeding.

The Board’s decision regarding the application was issued April 30, 2009 (the “Decision and Order”). In the Decision and Order, the Board ordered that the rates be developed assuming an effective date of May 1, 2009, but the Board would not implement new

rates on May 1, 2009. The Board indicated that it would allow Remotes to recover the foregone distribution revenue for the period from May 1, 2009 to the implementation date for the new rates by means of a rate rider or rate riders. The Board ordered Remotes to file a Draft Rate Order reflecting the Board's findings including detailed supporting material, all relevant calculations showing the impact of the Decision and Order on the Company's proposed revenue requirement, the allocation of the approved revenue requirement to the classes and the determination of the final rates.

Remotes filed the required material on May 8, 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. None of the intervenors, nor Board Staff commented on the Draft Rate Order.

The Board notes that Remotes has developed its foregone distribution revenue rate riders, in effect until April 30, 2010, based on an implementation date for the new rates of June 1, 2009. 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.

Reflecting the reduction in the total revenue requirement arising from the Decision and Order, Remotes has determined that the level of RRRP funding for the period January 1, 2009 to December 31, 2009 should be \$30.930 million, made up of the 2009 RRRP amount of \$27.549 million plus the accumulated balance of \$3.381 million in the RRRP variance account as of December 31, 2008. The Board accepts this determination.

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, 2009, but implemented June 1, 2009 for electricity consumed or estimated to have been consumed on and after June 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 Remote and is final in all respects.

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

DATED at Toronto, May 26, 2009.

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix "A"
To The Rate Order Arising from Decision
EB-2008-0232

Hydro One Remote Communities Inc.

May 26, 2009

Hydro One Remote Communities Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2009

Implementation June 1, 2009

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

EB-2008-0232

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 generation, transmission and/or distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the generation, transmission and/or 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.

IMPLEMENTATION DATES

- ELECTRICITY RATES – June 1, 2009 for all consumption or deemed consumption used on or after that date.
- SPECIFIC SERVICE CHARGES – June 1, 2009 for all charges incurred by customers on or after that date.

SERVICE CLASSIFICATIONS

Non Standard A Residential

Year-Round Residential - R2

This classification refers to a residential service that is the principal residence of the customer. This classification may include additional buildings served through the same meter, provided they are not rental income units. To be classed as year round residential, all of the following criteria must be met:

- Occupants must state that this is their principal residence for purposes of the Income Tax Act;
- The occupant must live in this residence for at least 8 months of the year;
- The address of this residence must appear on the occupant's electric bill, driver's licence, credit card invoice, property tax bill, etc.;
- Occupants who are eligible to vote in Provincial or Federal elections must be enumerated for this purpose at the address of this residence.

Seasonal Residential – R4

This classification is comprised of any residential service not meeting the year-round residential criteria. As such, the seasonal residential class includes cottages, chalets, and camps.

Non Standard A General Service

This classification is applicable to any service that does not fit the description of the year-round residential or seasonal residential. Generally, it is comprised of commercial, administrative, recreational, and auxiliary services. It includes combination of services where a variety of uses are made of the service by the owner of one property, and all multiple services except residential.

General Service Single Phase – G1

This classification is applicable to General Service Single Phase customers.

General Service Three Phase – G3

This classification is applicable to General Service Three Phase customers.

Unmetered Scattered Load

This classification applies where connections can be provided without metering. These loads are generally small in size and consistent in magnitude of load. Remotes reserves the right to review all cases and may request a meter be installed at its sole discretion. All unmetered connections fall under the General Service or Lights rate classifications.

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Street Lighting

The energy consumption for street lights is estimated based on Remote's profile for street lighting load, which provides the amount of time each month that the street lights are operating. Streetlight charges include:

- An energy charge based on installed load, at a rate approved annually (Dollars per kWh x # of fixtures x billing);
- A pole rental charge approved annually, when the light is attached to a Remotes pole.

Remotes must approve the location of new lighting installations on its poles and the streetlight owner must enter into an agreement to use such poles. Remotes will make the electrical service connection of all streetlights to the distribution system.

Standard A Service

Standard A rates are applicable to all accounts paid directly or indirectly out of Federal and/or Provincial government revenue.

Exceptions to these are:

- Crown Corporations
- Community Centres/Halls
- Ice Rinks/Arenas
- Radio, Televisions and Cable
- Libraries

Any Standard A account may be reclassified as General Service, Residential Year-Round or Residential-Seasonal at any time.

To reclassify a Standard A account, a letter from the accountable Federal and/or Provincial Government agency must be provided to Remotes stating that the account does not receive any direct and/or indirect funding of a continuous nature. An alternative to this letter would be a declaration from a Director of the organization stating that the organization receives no funding. This declaration must be accompanied by an audited statement, which includes the funding source. An example of direct funding is an MTO account paid directly by MTO. An example of indirect funding is a First Nation School account paid by a First Nation through funding by Indian and Northern Affairs Canada.

Standard A Residential Road/Rail

This classification is applicable to residential customers in communities that are accessible by a year-round road or by rail.

Standard A Residential Air Access

This classification is applicable to residential customers in communities that are not accessible by a year-round road or by rail.

Standard A General Service Road/Rail

This classification is applicable to all non-residential Standard A customers in communities that are accessible by a year-round road or by rail.

Standard A General Service Air Access

This classification is applicable to all non-residential Standard A customers in communities that are not accessible by a year-round road or by rail.

MONTHLY RATES AND CHARGES

Year-Round Residential – R2

Service Charge	\$	17.17
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2010	\$	0.07
Energy Charge First 1,000 kWh	\$/kWh	0.0809
Foregone Distribution Revenue Rate Rider – First 1,000 kWh – effective until April 30, 2010	\$/kWh	0.0003
Energy Charge Next 1,500 kWh	\$/kWh	0.1078
Foregone Distribution Revenue Rate Rider – Next 1,500 kWh – effective until April 30, 2010	\$/kWh	0.0004
Energy Charge All Additional kWh	\$/kWh	0.1625
Foregone Distribution Revenue Rate Rider – All Additional kWh – effective until April 30, 2010	\$/kWh	0.0007

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Seasonal Residential – R4

Service Charge	\$	29.02
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2010	\$	0.12
Energy Charge First 1,000 kWh	\$/kWh	0.0809
Foregone Distribution Revenue Rate Rider – First 1,000 kWh – effective until April 30, 2010	\$/kWh	0.0003
Energy Charge Next 1,500 kWh	\$/kWh	0.1078
Foregone Distribution Revenue Rate Rider – Next 1,500 kWh – effective until April 30, 2010	\$/kWh	0.0004
Energy Charge All Additional kWh	\$/kWh	0.1625
Foregone Distribution Revenue Rate Rider – All Additional kWh – effective until April 30, 2010	\$/kWh	0.0007

General Service Single Phase – G1

Service Charge	\$	29.18
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2010	\$	0.12
Energy Charge First 6,000 kWh	\$/kWh	0.0906
Foregone Distribution Revenue Rate Rider – First 6,000 kWh – effective until April 30, 2010	\$/kWh	0.0004
Energy Charge Next 7,000 kWh	\$/kWh	0.1201
Foregone Distribution Revenue Rate Rider – Next 7,000 kWh – effective until April 30, 2010	\$/kWh	0.0005
Energy Charge All Additional kWh	\$/kWh	0.1625
Foregone Distribution Revenue Rate Rider – All Additional kWh – effective until April 30, 2010	\$/kWh	0.0007

General Service Three Phase – G3

Service Charge	\$	36.54
Foregone Distribution Revenue Rate Rider – Service Charge – effective until April 30, 2010	\$	0.15
Energy Charge First 25,000 kWh	\$/kWh	0.0906
Foregone Distribution Revenue Rate Rider – First 25,000 kWh – effective until April 30, 2010	\$/kWh	0.0004
Energy Charge Next 15,000 kWh	\$/kWh	0.1201
Foregone Distribution Revenue Rate Rider – Next 15,000 kWh – effective until April 30, 2010	\$/kWh	0.0005
Energy Charge All Additional kWh	\$/kWh	0.1625
Foregone Distribution Revenue Rate Rider – All Additional kWh – effective until April 30, 2010	\$/kWh	0.0007

Street Lighting

Energy Charge	\$/kWh	0.0898
Foregone Distribution Revenue Rate Rider – All kWh – effective until April 30, 2010	\$/kWh	0.0004

Standard A Residential Road/Rail

Energy Charge First 250 kWh	\$/kWh	0.5320
Foregone Distribution Revenue Rate Rider – First 250 kWh – effective until April 30, 2010	\$/kWh	0.0020
Energy Charge All additional kWh	\$/kWh	0.6078
Foregone Distribution Revenue Rate Rider – All Additional kWh – effective until April 30, 2010	\$/kWh	0.0024

Standard A Residential Air Access

Energy Charge First 250 kWh	\$/kWh	0.8029
Foregone Distribution Revenue Rate Rider – First 250 kWh – effective until April 30, 2010	\$/kWh	0.0032
Energy Charge All additional kWh	\$/kWh	0.8788
Foregone Distribution Revenue Rate Rider – All Additional kWh – effective until April 30, 2010	\$/kWh	0.0035

Standard A General Service Road/Rail

Energy Charge	\$/kWh	0.6078
Foregone Distribution Revenue Rate Rider – All kWh – effective until April 30, 2010	\$/kWh	0.0024

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Standard A General Service Air Access

Energy Charge	\$/kWh	0.8788
Foregone Distribution Revenue Rate Rider – All kWh – effective until April 30, 2010	\$/kWh	0.0035

Specific Service Charges

Customer Administration		
Arrears Certificate	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned Cheque (plus bank charges)	\$	15.00
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/Disconnection/Load Limiter/Reconnection – if in Community	\$	65.00