



EB-2008-0233

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 **Innisfil Hydro
Distribution Systems Limited** pursuant to section 78 of the
Ontario Energy Board Act, 1998 seeking approval to amend
electricity distribution rates.

BEFORE: Cathy Spoel
Presiding Member

Pamela Nowina
Member and Vice-Chair

RATE ORDER

Innisfil Hydro Distribution Systems Limited (“Innisfil” or the “Company”) is a licensed distributor of electricity providing service to consumers within its licensed service area. On August 15, 2008, Innisfil filed an application with the Ontario Energy Board (the “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, 2009.

The Board assigned file number EB-2008-0233 to the application and issued a Notice of Application and Hearing on September 2, 2008. The Association of Major Power Consumers of Ontario (AMPCO), Energy Probe, the School Energy Coalition (SEC), and the Vulnerable Energy Consumers Coalition (VECC) were granted intervenor status in this proceeding.

The Board's decision regarding the Application was issued April 6, 2009 (the "Decision and Order"). In the Decision and Order, the Board ordered Innisfil to file a Draft Rate Order reflecting the Board's findings. The Board indicated that it expected Innisfil to file detailed supporting material, including 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.

Innisfil filed a Draft Rate Order on April 15, 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 Energy Probe on April 17, 2009 and from the Board staff on April 20, 2009. No comments were received from AMPCO, SEC, or VECC.

Energy Probe's comments related to the Capital Cost Allowance (CCA) applicable to certain computer equipment and related system software (CCA class 50) and the use of half year rule. Energy Probe stated that since the January 2009 Federal Budget changed the CCA rate from 55% to 100% and eliminated the half-year rule, Innisfil should fully deduct the cost for these computers and system software in 2009. Energy Probe submitted that these changes would reduce the taxes payable and revenue requirement by \$15,675 over and above that calculated by Innisfil.

On April 24, 2009, Innisfil responded that it has subsequently verified the half year rule for CCA class 50 and agreed that the 2009 CCA deduction for class 50 would be the full \$95,000 spent on computer equipment and software. Innisfil stated that this adjustment causes an incremental CCA deduction of \$47,500 on top of the \$21,375 CCA adjustment calculated in the draft rate order submitted on April 15, 2009. Innisfil further stated the total incremental CCA deduction for class 50 would be \$68,875 and that the change has been incorporated in the updated draft rate order of April 24, 2009. Innisfil agreed with the Energy Probe's calculation for PILs reduction of \$15,675.

Board staff sought clarification in the areas of load forecast – methodology and model, revenue to cost ratios, monthly fixed charges and fixed/variable proportion, retail transmission rates, deferral and variance accounts, and tariff of rates and charges.

Board staff commented that Innisfil provided a table on page 3 of its draft Rate Order which shows the load forecast due to the loss factor adjustment. Board staff asked Innisfil to provide a summary of the forecast data in kW and kWh per applicable rate class similar to the table shown in Exhibit 3/ Tab2/ Schedule 3/ page 12 of Application.

Regarding revenue to cost ratios, Board staff noted missing information for sentinel lights and USL rate classes. Board staff also asked Innisfil to clarify whether the information outlined in the Column titled “2009 Test Year Annualized Customers/Connections” is accurate.

On April 24, 2009, Innisfil responded to Board staff’s comments, provided the information requested and updated its draft rate order to reflect the changes.

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.

For completeness, the Board has included in the Tariff of Rates and Charges, the charges pertaining to services provided to retailers or consumers with respect to 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 May 1, 2009, for electricity consumed or estimated to have been consumed on and after May 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 Innisfil and is final.
3. Innisfil shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, April 30, 2009.

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Appendix “A”

To The Rate Order Arising from Decision

EB-2008-0233

Innisfil Hydro Distribution Systems Limited

April 30, 2009

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective May 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).

EFFECTIVE DATES

DISTRIBUTION RATES - May 1, 2009 for all consumption or deemed consumption services used on or after that date.
SPECIFIC SERVICE CHARGES - May 1, 2009 for all charges incurred by customers on or after that date.
RETAIL SERVICE CHARGES – May 1, 2009 for all charges incurred by retailers or customers on or after that date.
LOSS FACTOR ADJUSTMENT – May 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 refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units duplexes or triplexes. Supply will be limited up to a maximum of 200 amp @ 240/120 volt. Further servicing details are available in the utility's Conditions of Service.

General Service Less Than 50 kW

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the utility's Conditions of Service.

General Service 50 to 4,999 kW

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is expected to be equal to or greater than 50 kW but less than 5000 kW. Further servicing details are available in the utility's Conditions of Service.

Unmetered Scattered Load

This classification refers to a non-residential account taking electricity at 240/120 or 120 volts whose monthly peak demand is less than or expected to be less than 50 kW and the consumption is unmetered. A detailed calculation of the load will be calculated for billing purposes. Further servicing details are available in the utility'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 the utility's Conditions of Service.

Street Lighting

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or the Ministry of Transportation. This lighting will be controlled by photocells. The consumption for these customers will be based on the calculated connected load times as established in the approved OEB Street Lighting Load Shape Template. Further servicing details are available in the utility's Conditions of Service.

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MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	20.00
Distribution Volumetric Rate	\$/kWh	0.0211
Deferral Account Rate Rider – effective until April 30, 2013	\$/kWh	0.0005
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
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	\$	34.00
Distribution Volumetric Rate	\$/kWh	0.0119
Deferral Account Rate Rider – effective until April 30, 2013	\$/kWh	0.0004
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
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 4,999 kW

Service Charge	\$	360.80
Distribution Volumetric Rate	\$/kW	4.1946
Deferral Account Rate Rider – effective until April 30, 2013	\$/kW	0.1368
Retail Transmission Rate – Network Service Rate	\$/kW	1.7653
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6207
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.7098
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.3764
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)	\$	23.24
Distribution Volumetric Rate	\$/kWh	0.0422
Deferral Account Rate Rider – effective until April 30, 2013	\$/kWh	0.0005
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
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)	\$	4.50
Distribution Volumetric Rate	\$/kW	21.6846
Deferral Account Rate Rider – effective until April 30, 2013	\$/kW	0.1762
Retail Transmission Rate – Network Service Rate	\$/kW	1.3381
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2790
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 connection)	\$	3.00
Distribution Volumetric Rate	\$/kW	22.8843
Deferral Account Rate Rider – effective until April 30, 2013	\$/kW	0.1419
Retail Transmission Rate – Network Service Rate	\$/kW	1.3313
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2528
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

Customer Administration

Arrears Certificate	\$	15.00
Easement Letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	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
Special meter reads	\$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	15.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	40.00
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	\$	40.00
Install/Remove load control device – after regular hours	\$	185.00
Temporary service install and remove – overhead – no transformer	\$	500.00
Temporary service install and remove – underground – no transformer	\$	300.00
Temporary service install and remove – overhead – with transformer	\$	1,000.00
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)

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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	1.0746
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0638
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A