



**EB-2009-0267**

**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 Kitchener-  
Wilmot 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, 2010.

**BEFORE:** Ken Quesnelle  
Presiding Member

### **DECISION ON DRAFT RATE ORDER**

Kitchener-Wilmot Hydro Inc. (“KW Hydro”) filed an application with the Ontario Energy Board (the “Board”) on August 31, 2009. The application was filed under section 78 of the *Ontario Energy Board Act, 1998*, S.O 1998, c. 15 (Sched. B), seeking approval for changes to the rates that KW Hydro charges for electricity distribution to be effective May 1, 2010.

The Board issued its Decision and Order on the application on April 7, 2010. In the Decision and Order, the Board ordered the Applicant to file a draft Rate Order reflecting the Board’s findings in the Decision. The Board approved an implementation date and an effective date of May 1, 2010.

On March 17, 2010, the Board issued a rate order approving a province-wide fixed monthly charge for all electricity distributors related to the microFIT generator rate class at a rate of \$5.25 per month, effective September 21, 2009.

KW Hydro filed a draft Rate Order and supporting material on April 16, 2010. The Board notes that in its draft Rate Order, KW Hydro complied with the March 17, 2010 microFIT order. Energy Probe Research Foundation filed comments on April 23, 2010.

No other intervenor filed comments on the draft Rate Order. On April 28, 2010, KW Hydro filed a revised draft Rate Order. In the revised draft Rate Order, KW Hydro addressed all concerns expressed by Energy Probe, with one exception.

In its initial draft Rate Order, KW Hydro used the April 15, 2010 commodity price reports as the basis for determining the cost of power. Energy Probe argued in its comments on the draft Rate Order that the Board's Decision on this application (issued April 7, 2010) directed that "the most accurate data should be used in the calculation of working capital, and notes that all parties agreed with this approach." Energy Probe argued that at the time of the Decision, the most accurate data available was that reflected by the October 15, 2009 price report. Energy Probe argued that if the Board were to use the April 15, 2010 data, KW Hydro's approved revenue requirement would be increased by almost \$200,000 or 0.5% of the total revenue requirement.

In its reply KW Hydro argued that the April 15, 2010 price report does reflect the most accurate data available because it reflects the "ever-rising cost of power for all of KW Hydro's customers". KW Hydro submitted that "the increases expected to the cost of power commodity are known as of this stage of the Application and were known as of April 15, 2010 prior to submitting its draft Rate Order, making their use appropriate for the calculation of its working capital."

The Board has reviewed the parties' comments on this matter and concludes that the October 15, 2009 data should be used in determining the RPP and non-RPP prices to determine the commodity cost of power. The Board notes that the record of this application closed on February 10, 2010. The Decision of April 7, 2010 is based on the record as at February 10, 2010. The Board's finding regarding the use of the most accurate data was in response to Board staff's and intervenors' submissions that the most current prices should be used. At the time of the Board's Decision, the most current prices were those based on the October 15, 2009 report. The draft rate order process is a mechanistic exercise intended to implement the Board's findings in a decision. Unless explicitly stipulated in the decision, no new information can be used when determining the final Tariff of Rates and Charges.

The Board has reviewed the remaining information provided in support of the revised draft Rate Order and is satisfied that the remaining components of the draft Rate Order accurately reflect the Board's Decision.

KW Hydro shall file an updated draft Rate Order, including an updated Tariff of Rates and Charges reflecting the above finding. Once the calculations are confirmed by the Board, the Board will issue a final Rate Order.

**THE BOARD ORDERS THAT:**

1. Kitchener-Wilmot Hydro Inc. shall file an updated draft Rate Order attaching an updated Tariff of Rates and Charges reflecting the Board's findings in this Decision on Draft Rate Order, by Tuesday May 4, 2010.

**DATED** at Toronto, April 30, 2010

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary