



EB-2009-0205
EB-2009-0206

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 Niagara Peninsula Energy Inc. for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2010.

BEFORE: Paul Vlahos
Presiding Member

DECISION AND ORDER

Introduction

Niagara Peninsula Energy Inc. ("NPEI") is a licensed distributor of electricity providing service to consumers within its two licensed service areas – Niagara Falls and Peninsula West. NPEI filed two applications with the Ontario Energy Board (the "Board"), received on October 20, 2009, under section 78 of the Ontario Energy Board Act, 1998, seeking approval for changes to the distribution rates that NPEI charges for electricity distribution, to be effective May 1, 2010.

On December 27, 2007 the Board approved an application (EB-2007-0749) by Niagara Falls Hydro Inc. and Peninsula West Utilities Limited seeking an order for leave to amalgamate and the issuance of a new electricity distribution licence to the amalgamated corporation, NPEI. Rate harmonization for the two services area is expected to be completed within five years of the closing of the transaction

amalgamation, and will be examined when the amalgamated company's rates are rebased.

NPEI filed separate applications for each of the service areas as no rate harmonization has been effected yet. The application for the service area served by former Niagara Falls Inc. was given Board File No. EB-2009-0205. The application for the service area served by former Peninsula West Utilities Limited was given Board File No. EB-2009-0206. As the applications contain common elements and adjustments in the IRM context, it is referenced in this decision as NPEI's application. In situations where differentiation needs to be made between the two applications, it is done so in the decision.

NPEI is one of about 80 electricity distributors in Ontario that are regulated by the Board. In 2006, the Board announced the establishment of a multi-year electricity distribution rate-setting plan for the years 2007-2010. As part of the plan, NPEI is one of the electricity distributors that will have its rates adjusted for 2010 on the basis of the 2nd Generation Incentive Rate Mechanism ("IRM") process. IRM applications provide 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. Among other things, the Report contained the relevant guidelines for 2009 rate adjustments (the "Guidelines") for distributors applying for distribution rate adjustments pursuant to the IRM process. On July 22, 2009 the Board issued an update to Chapter 3 of the Board's "Filing Requirements for Transmission and Distribution Applications" (the "Filing Requirements"), which outlined the filing requirements for IRM applications by electricity distributors.

Notice of NPEI's rate application was given through newspaper publication in NPEI's service areas advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. There were no intervention requests and no comments were received. The Board proceeded by way of a written hearing.

While the Board has considered the entire record in this rate application, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Price Cap Index Adjustment;
- Changes in the Federal and Provincial Income Tax Rates;
- Harmonized Sales Tax;
- Smart Meter Funding Adder;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Accounts; and
- Introduction of microFIT Generator Service Classification and Rate.

Price Cap Index Adjustment

NPEI's rate application was filed on the basis of the Guidelines. In fixing new distribution rates and charges for NPEI, the Board has applied the policies described in the Report.

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%. Based on the final 2009 data published by Statistics Canada, the Board has established the price escalator to be 1.3%. The resulting price cap index adjustment is therefore 0.3%. The Board has adjusted the rate model to reflect the newly calculated price cap index adjustment. This price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes. An adjustment for the transition to a common deemed capital structure of 60% debt and 40% equity was also effected.

The price cap index adjustment will not apply to the following components of distribution rates:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;

- Rural Rate Protection Charge;
- Standard Supply Service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges; and
- Retail Service Charges.

Changes in the federal and provincial income tax rates

On December 13, 2007, the Ontario government introduced its 2007 Ontario Economic Outlook and Fiscal Review (the “Fiscal Review”). The enabling legislation received Royal Assent on May 14, 2008. Included in this Fiscal Review were changes to the Ontario capital tax provisions¹, and an increase in the small business income limit from \$400,000 to \$500,000 effective January 1, 2007.

The Federal Budget which was presented on January 27, 2009 and received Royal Assent on March 12, 2009 included an increase in the small business income limit from \$400,000 to \$500,000 effective January 1, 2009.

On March 26, 2009, the Ontario provincial budget was presented and Bill 218, the enabling legislation, received Royal Assent on December 15, 2009. For corporations, the basic income tax rates will decrease in stages from 14% to 10% by July 1, 2013, while on July 1, 2010, the small business rate will drop from 5.5% to 4.5% after the small business deduction is made where applicable. A provincial small business surtax claws back the benefit of the small business deduction when taxable income of associated corporations exceeds \$500,000 and eliminates the benefit completely once taxable income, on an associated basis, reaches \$1,500,000. The surtax will be eliminated on July 1, 2010.

The following table summarizes past, current and impending tax changes.

¹ The Ontario capital tax rate decreased from 0.285% to 0.225% effective January 1, 2007. The Ontario capital tax deduction also increased from \$10 million to \$12.5 million effective January 1, 2007, and from \$12.5 million to \$15 million effective January 1, 2008.

Tax Rates						
Federal & Provincial						
As of December 15, 2009						
	Effective	Effective	Effective	Effective	Effective	Effective
	January 1,	January 1,	January 1,	January 1,	January 1,	January 1,
	2009	2010	2011	2012	2013	2014
Federal income tax						
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Surtax (4% of line 3)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-9.00%	-10.00%	-11.50%	-13.00%	-13.00%	-13.00%
	19.00%	18.00%	16.50%	15.00%	15.00%	15.00%
Ontario income tax	14.00%	13.00%	11.75%	11.25%	10.50%	10.00%
Combined federal and Ontario	33.00%	31.00%	28.25%	26.25%	25.50%	25.00%
Federal & Ontario Small Business						
Federal small business threshold	500,000	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Ontario small business rate	5.50%	5.00%	4.50%	4.50%	4.50%	4.50%
Ontario surtax claw-back of 4.25% (eliminated July 1, 2010) starts at \$500,000 and eliminates the SBC at \$1,500,000.						
Ontario surtax	4.25%	2.125%	0.00%	0.00%	0.00%	0.00%
Ontario Capital Tax						
Capital deduction	15,000,000	15,000,000	0	0	0	0
Capital tax rate	0.225%	0.075%	0.0%	0.0%	0.0%	0.0%
OCT will be eliminated on July 1, 2010 but tax will be prorated for the first 6 months in 2010.						

The Board is of the view that these tax changes when combined could be material and therefore the incentive regulation rate model shall be adjusted accordingly.

Harmonized Sales Tax

The 8% Ontario provincial sales tax ("PST") and the 5% Federal goods and services tax ("GST") will be harmonized effective July 1, 2010, at 13%, pursuant to Ontario Bill 218 which received Royal Assent on December 15, 2009.

The PST is currently included in a distributor's OM&A expenses and capital expenditures. The PST is therefore included in the distributor's revenue requirement and is recovered from ratepayers through distribution rates.

When the PST and GST are harmonized, distributors will pay the HST on purchased goods and services but will claim an input tax credit (“ITC”) for the PST portion. Therefore, the distributor will no longer incur that portion of the tax that was formerly applied as PST.

Board staff submitted that the Board may wish to consider the establishment of a deferral account to record the amounts, after July 1, 2010 and until NPEI’s next cost-of-service rebasing application, that were formerly incorporated as the 8% PST on capital expenditures and expenses incurred, but which will now be eligible for an ITC. This account would track the incremental change due to the introduction of the HST that incorporates an increased ITC from the current 5% to a 13% level.

NPEI commented that this process would be administratively onerous, and suggested that more specific guidelines ought to be developed to assist distributors in accurately computing the balances to be recorded in these deferral accounts.

The Board finds that it would not be incrementally onerous for distributors to track the ITC amounts as the distributor will need to file ITC information in GST/HST returns and go through the quantification process to satisfy the requirements by the tax authorities and that the final amounts will be confirmed by the tax authorities. In regulatory parlance, what Board staff is suggesting is in the nature of a deferral account, not a variance account, and as such there is no need to compare these amounts with any reference to PST levels reflected in existing rates.

Rather, the issue in the Board’s view is whether a distributor’s cost reductions arising from the implementation of the HST should be returned to the ratepayers. In that regard, the Board notes that to do so would be consistent with what the Board has done with tax changes in second and third generation IRMs. In second generation IRM, the Board treated 100% of the tax changes as a Z factor. In the third generation IRM, the Board determined that tax changes would be shared equally between ratepayers and the shareholder. The 50% was considered appropriate as the changes in input prices will flow through the GDP-IPI over time to some degree. The same rationale applies in the case of the HST.

The Board therefore directs that, beginning July 1, 2010, NPEI shall record in deferral account 1592 (PILs and Tax Variances, Sub-account HST / OVAT Input Tax Credits

(ITCs)) the incremental ITC it receives on distribution revenue requirement items that were previously subject to PST and become subject to HST. Tracking of these amounts will continue in the deferral account until the effective date of NPEI's next cost of service rate order. 50% of the confirmed balances in the account shall be returnable to the ratepayers.

The Board may issue more detailed accounting guidance in the future. In that event, the Applicant should make the appropriate accounting entries, if and as applicable.

Smart Meter Funding Adder

On October 22, 2008 the Board issued a Guideline for Smart Meter Funding and Cost Recovery ("Smart Meter Guideline") which sets out the Board's filing requirements in relation to the funding of, and the recovery of costs associated with, smart meter activities conducted by electricity distributors.

As set out in the Smart Meter Guideline, a distributor that plans to implement smart meters in the rate year must include, as part of the application, evidence that the distributor is authorized to conduct smart meter activities in accordance with applicable law. NPEI is authorized to conduct smart meter activities because it is covered by paragraph 8 of section 1(1) of O. Reg. 427/06.

NPEI requested the continuation of its standard smart meter funding adder of \$1.00 per metered customer per month. The Board approves the funding adder as proposed by NPEI. This funding adder will be reflected in the Tariff of Rates and Charges. NPEI's variance accounts for smart meter program implementation costs, previously authorized by the Board, shall also be continued.

The Board notes that the smart meter funding adder of \$1.00 per metered customer per month is intended to provide funding for NPEI's smart metering activities in the 2010 rate year. The Board has not made any finding on the prudence of the proposed smart meter activities, including any costs for smart meters or advanced metering infrastructure whose functionality exceeds the minimum functionality adopted in O. Reg. 425/06, or costs associated with functions for which the Smart Metering Entity has the exclusive authority to carry out pursuant to O. Reg. 393/07. Such costs will be considered at the time that NPEI applies for the recovery of these costs.

Retail Transmission Service Rates

Electricity distributors are charged the Ontario Uniform Transmission Rates (“UTRs”) at the wholesale level and subsequently pass these charges on to their distribution customers through the Retail Transmission Service Rates (“RTSRs”). There are two RTSRs, whereas there are three UTRs. The two RTSRs are for network and connection. The wholesale line and transformation connection rates are combined into one retail connection service charge. Deferral accounts are used to capture timing differences and differences in the rate that a distributor pays for wholesale transmission service compared to the retail rate that the distributor is authorized to charge when billing its customers (i.e., deferral accounts 1584 and 1586).

On May 28, 2009, the Board issued its Decision and Rate Order in proceeding EB-2008-0272, which set new UTRs for Ontario transmitters, effective July 1, 2009. The new UTRs effective July 1, 2009 were as follows:

- Network Service Rate was increased from \$2.57 to \$2.66 per kW per month, a 3.5% increase;
- Line Connection Service Rate remained unchanged at \$0.70 per kW per month; and
- Transformation Connection Service Rate was decreased from \$1.62 to \$1.57 per kW per month, for a combined Line and Transformation Connection Service Rates reduction of 2.2%.

On July 22, 2009 the Board issued an amended “Guideline for *Electricity Distribution Retail Transmission Service Rates*” (“RTSR Guideline”), which provided electricity distributors with instructions on the evidence needed, and the process to be used, to adjust RTSRs to reflect the changes in the UTRs effective July 1, 2009. The Board set as a proxy at that time an increase of 3.5% for the Network Service Rate and reduction of 2.2% for the combined Line and Transformation Connection Service Rates. The Board also noted that there would be further changes to the UTRs in January 2010. The objective of resetting the rates is to minimize the prospective balances in deferral accounts 1584 and 1586.

On January 21, 2010, the Board approved new UTRs effective January 1, 2010. The new UTRs were as follows:

- Network Service Rate has increased from \$2.66 to \$2.97 per kW per month, an 11.7% increase over the July 1, 2009 level or 15.6% over the rate in effect prior to July 1, 2009;
 - Line Connection Service Rate has increased from \$0.70 to \$0.73 per kW per month; and
 - Transformation Connection Service Rate has increased from \$1.57 to \$1.71 per kW per month, for a combined Line and Transformation Connection Service Rates increase of 7.5% over the July 1, 2009 level or 5.2% over the rate in effect prior to July 1, 2009.

NPEI proposed to change the existing RTS rates by the same proportions as the changes in the UTRs noted above effective July 1, 2009. Therefore, NPEI has proposed to increase all of its RTS Network Rates by 3.5%, and decrease all of its RTS Connection Rates by 2.2%. However, in its reply submission, NPEI agreed Board staff that the RTSR rates should reflect the January 1, 2010 UTRs.

The Board notes that very few distributors, including NPEI, included in their 2009 rates the July 1, 2009 level of UTRs since for most of them distribution rates would have been implemented on May 1, 2009. Therefore, in accordance with the July 22, 2009 RTSR Guideline, the Board finds that the revisions to the RTSRs ought to reflect the changes from the current level (i.e. rate in effect prior to July 1, 2009) over the to the January 1, 2010 level. This represents an increase of about 15.6% to the RTSR Network Service Rates, and an increase of about 5.2% to the RTSR Line and Transformation Connection Service Rates. The Board will reflect these findings in NPEI's draft Rate Order.

Review and Disposition of Group 1 Deferral and Variance Accounts

The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report* (the "EDDVAR Report") provides that, during the IRM plan term, the distributor's Group 1 account balances will be reviewed and disposed of if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed of.

With respect to the disposition period, the EDDVAR Report states that the default position would be one year.

(i) Balances

NPEI has requested that the Board review and approve the disposition of the December 31, 2008 Group 1 account balances as defined by the EDDVAR Report since the preset disposition threshold of \$0.001 per kWh was exceeded.

NPEI's initial filings requested that the deferral and variance account balances be combined for the two service territories that were amalgamated. In an interrogatory, Board staff inquired if NPEI could confirm whether the combination of the deferral and variance account balances would not materially harm the customers in one service territory in favour of benefiting the customers in the other service territory. NPEI stated that the differential between the rate riders using the combined account balances as originally submitted and the rate riders that would result if the account balances were kept separate up to March 31, 2008 would materially favour NPEI - Peninsula West's customers. As a result, NPEI proposed that the deferral and variance account balances be kept separate from January 1, 2005 to March 31, 2008, and be combined from April 1 to December 31, 2008. The reason for combining the two from April 1 is because the IESO no longer issues separate invoices for power as of that date. The Board finds this approach reasonable.

For the Niagara Falls service territory, the combined total of Group 1 account balance is a credit of \$5,439,086, which includes a debit balance of \$57,978 in the 1588 global adjustment sub-account (Credit balances are amounts payable to customers and debit balances are amounts recoverable from customers). NPEI has included interest on these account balances using the Board's prescribed interest rates to April 30, 2010. NPEI's account balances as at March 31, 2008, plus projected carrying charges to April 30, 2010 are shown below.

NPEI – Niagara Falls’ Group 1 Account Balances at March 31, 2008

Account Description	Account Number	Principal Amounts A	Interest Amounts B	Total Claim C = A + B
LV Variance Account	1550	0	0	0
RSVA - Wholesale Market Service Charge	1580	(1,003,047)	472,205	(530,842)
RSVA - Retail Transmission Network Charge	1584	(228,055)	134,818	(93,237)
RSVA - Retail Transmission Connection Charge	1586	(603,127)	(16,277)	(619,404)
RSVA - Power (Excluding Global Adjustment)	1588	(3,815,506)	(288,960)	(4,104,466)
RSVA - Power (Global Adjustment Sub-account)	1588	213,706	(155,728)	57,978
Recovery of Regulatory Asset Balances	1590	(1,428,882)	1,279,767	(149,115)
		<u>(6,864,912)</u>	<u>1,425,826</u>	<u>(5,439,086)</u>

For the Peninsula West service territory, the combined total of Group 1 account balance is a credit of \$4,593,140, which includes a credit balance of \$74,946 in the 1588 global adjustment sub-account. NPEI has included interest on these account balances using the Board’s prescribed interest rates to April 30, 2010. NPEI’s account balances as at March 31, 2008, plus projected carrying charges to April 30, 2010 are shown below.

NPEI – Peninsula West’s Group 1 Account Balances at March 31, 2008

Account Description	Account Number	Principal Amounts A	Interest Amounts B	Total Claim C = A + B
LV Variance Account	1550	(101,258)	(3,100)	(104,358)
RSVA - Wholesale Market Service Charge	1580	(690,502)	(27,617)	(718,119)
RSVA - Retail Transmission Network Charge	1584	(620,558)	(79,612)	(700,170)
RSVA - Retail Transmission Connection Charge	1586	(994,976)	(107,023)	(1,101,999)
RSVA - Power (Excluding Global Adjustment)	1588	(1,969,601)	(54,359)	(2,023,960)
RSVA - Power (Global Adjustment Sub-account)	1588	70,731	(145,677)	(74,946)
Recovery of Regulatory Asset Balances	1590	(373,729)	504,139	130,410
		<u>(4,679,892)</u>	<u>86,752</u>	<u>(4,593,140)</u>

For the combined Niagara Falls and Peninsula West service territories for the period from April 1, 2008 to December 31, 2008, the total of Group 1 account balance is a debit of \$2,257,397, which includes a debit balance of \$1,405,117 in the 1588 global adjustment sub-account. NPEI has included interest on these account balances using the Board’s prescribed interest rates to April 30, 2010. NPEI’s account balances as at December 31, 2008, plus projected carrying charges to April 30, 2010 are shown below.

NPEI – Niagara Falls and Peninsula West’s Group 1 Account Balances at December 31, 2008

Account Description	Account Number	Principal Amounts A	Interest Amounts B	Total Claim C = A + B
LV Variance Account	1550	0	0	0
RSVA - Wholesale Market Service Charge	1580	(207,300)	(196,817)	(404,117)
RSVA - Retail Transmission Network Charge	1584	(363,098)	(49,969)	(413,066)
RSVA - Retail Transmission Connection Charge	1586	(228,462)	(23,022)	(251,483)
RSVA - Power (Excluding Global Adjustment)	1588	1,335,586	585,360	1,920,946
RSVA - Power (Global Adjustment Sub-account)	1588	1,356,327	48,790	1,405,117
Recovery of Regulatory Asset Balances	1590	0	0	0
		<u>1,893,054</u>	<u>364,343</u>	<u>2,257,397</u>

In response to an interrogatory from Board staff, NPEI stated that it had reviewed the Regulatory Audit & Accounting Bulletin 200901 and confirmed that it had accounted for its Account 1588 RSVA power and global adjustment sub-account in accordance with this Bulletin. Board staff noted that the proposed balances for disposition may no longer reconcile with previously audited balances nor with NPEI’s Reporting and Record-keeping Requirements (“RRR”) filings. Board staff indicated that its review of the balances showed that the differences between the applied for account balances and the previously audited balances were not material.

The Board approves the proposed balances for Group 1 accounts as presented by NPEI. The December 31, 2008 balances and projected interest to April 30, 2010 are considered final. For accounting purposes the respective balance in each of the Group 1 accounts shall be transferred to account 1595 as soon as possible but no later than June 30, 2010 so that the RRR data reported in the second quarter of 2010 reflect these adjustments.

(ii) Disposition

The EDDVAR Report includes guidelines on the cost allocation methodology and the rate rider derivation for the disposition of deferral and variance account balances. The Board notes that NPEI’s followed the guidelines outlined in the EDDVAR Report and approves NPEI’s proposals except for the treatment of global adjustment sub-account balance.

The EDDVAR Report adopted an allocation of the global adjustment sub-account balance based on kWh for non-RPP customers by rate class. Traditionally, this

allocation would then be combined with all other allocated variance account balances by rate class. The combined balance by rate class would be divided by the volumetric billing determinants from the most recent audited year-end or Board-approved forecast, if available. This approach spreads the recovery or refund of the allocated account balances to all customers in the affected rate class.

This method was based on two premises. First, the recovery/refund of a variance unique to a subset of customers within a rate class would not be unfair to the rate class as a whole. Second, the distributors' existing billing system may not be capable of billing a subset of customers within a rate class.

Subsequent to the issuance of the EDDVAR Report, exogenous events have resulted in increased balances in the global adjustment sub-account for most electricity distributors. Board staff suggested that the Board may wish to consider establishing a separate rate rider for the disposition of the global adjustment sub-account balance enabling the prospective recovery solely from non-RPP customers, as this would be more reflective of cost causality since it was that group of customers that was undercharged by the distributor in the first place. Alternatively, Board staff suggested that the Board may wish to consider the recovery of the allocated global adjustment sub-account balance from all customers in each class, as this approach would recognize the customer migration that might occur both away from the non-RPP customer group and into the non-RPP customer group.

In response an interrogatory from Board staff, NPEI agreed in principle that the establishment of a separate rate rider that would be prospectively applied to non-RPP customers would be a fair approach. NPEI also indicated that its current billing system could readily accommodate a separate rate rider that would apply prospectively to non-RPP customers, excluding customers in the MUSH sector, to dispose of the global adjustment sub-account.

The Board will adopt the proposal of Board staff that a separate rate rider be established to dispose of the global adjustment sub-account. The rate rider would apply prospectively to non-RPP customers and would exclude MUSH sector customers. The Board is of the view that it is appropriate to dispose of this account balance from the customer group that caused the variance (i.e. non-RPP customers). While customer migration makes this an imperfect solution, a separate rate rider applicable to non-RPP

customers would result in enhanced cost causality compared to a disposition that would apply to all customers in the affected rate classes.

NPEI requested the disposition of its Group 1 account balance over a two year period. Board staff submitted that a disposition period no longer than one year would be appropriate for all Group 1 account since these balances have been accumulating over the last four year period and to delay any immediate action would not be in the interest of all parties. In its reply submission, NPEI stated that adopting the default disposition period of one year may induce strains on its cash flows and would introduce rate volatility when considering the magnitude of the balances to be refunded to customers, and other anticipated capital expenditures. The Board accepts in principle Board staff's rationale for a disposition period of one year and adopts it subject to any good reason that the disposition period should be lengthened. The Board finds that NPEI's rationale for proposing to extend the disposition period is reasonable and will accept a disposition period of two years.

Introduction of MicroFIT Generator Service Classification and Rate

Ontario's Feed-In Tariff (FIT) program for renewable energy generation was established in the *Green Energy and Green Economy Act, 2009*. The program includes a stream called microFIT, which is designed to encourage homeowners, businesses and others to generate renewable energy with projects of 10 kilowatts (kW) or less.

In its EB-2009-0326 Decision and Order, issued February 23, 2010, the Board approved the following service classification definition, which is to be used by all licensed distributors:

microFIT Generator:

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system.

On March 17, 2010, the Board approved a province-wide fixed service charge of \$5.25 per month for all electricity distributors effective September 21, 2009.

The microFIT Generator service classification and the service charge will be included in the Tariff of Rates and Charges.

Rate Model

The Board is providing NPEI with a rate model (spreadsheet) and a draft Tariff of Rates and Charges (Appendix A and B) that reflects the elements of this Decision. The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2009 Board approved Tariff of Rates and Charges. The rate model was adjusted, where applicable, to correct any discrepancies.

The Board Orders That:

1. NPEI's new distribution rates for each service area shall be effective May 1, 2010.
2. NPEI shall review the draft Tariff of Rates and Charges for each service area set out in Appendix A and B. NPEI shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information, within seven (7) calendar days of the date of this Decision and Order.

If the Board does not receive a submission by NPEI to the effect that inaccuracies were found or information was missing pursuant to item 1 of this Decision and Order:

3. The draft Tariff of Rates and Charges set out in Appendix A and B of this order will become final, effective May 1, 2010, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2010.

If the Board receives a submission by NPEI to the effect that inaccuracies were found or information was missing pursuant to item 1 of this Decision and Order, the Board will consider the submission of NPEI and will issue a final Tariff of Rates and Charges.

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

DATED at Toronto, April 8, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix "A"

To Decision and Order

EB-2009-0205

DATED: April 8, 2010

**Niagara Peninsula Energy Inc.
Niagara Falls Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009**

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2009-0205

RESIDENTIAL SERVICE CLASSIFICATION

This class pertains to customers residing in detached, semi-detached or duplex dwelling units, where energy is supplied single-phase, 3 wire, 60 hertz, having a nominal voltage of 120/240 volts. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	15.96
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0136
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kWh	0.0011
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0028)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0046

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Niagara Peninsula Energy Inc.
Niagara Falls Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009**

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2009-0205

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This class pertains to non-residential customers taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	47.27
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.01
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kWh	0.0011
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0027)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Niagara Peninsula Energy Inc.
Niagara Falls Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
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EB-2009-0205

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

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

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	280.14
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kW	3.0124
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	0.4244
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(1.1600)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9973
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6277

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Niagara Peninsula Energy Inc.
Niagara Falls Hydro Inc.
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EB-2009-0205

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power pack, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/ documentation with regard to electricity demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	23.65
Distribution Volumetric Rate	\$/kWh	0.01
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kWh	0.0011
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0027)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Niagara Peninsula Energy Inc.
Niagara Falls Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
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EB-2009-0205

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. Street lighting profile is derived through the use of a "virtual streetlight meter" that uses a street light control eye, consistent with the model type and product manufacturer of devices currently in service in the Applicant's distribution area, to simulate the exact daily conditions that the typical street light is exposed to. This simulated street light load is captured using an interval metering device, and is processed as part of the distributor's daily interval meter interrogation, validation and processing procedures. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	1.10
Distribution Volumetric Rate	\$/kW	4.0830
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	0.3939
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(1.2973)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5139
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2847

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Niagara Peninsula Energy Inc.
Niagara Falls Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
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EB-2009-0205

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. Street lighting profile is derived through the use of a "virtual streetlight meter" that uses a street light control eye, consistent with the model type and product manufacturer of devices currently in service in the Applicant's distribution area, to simulate the exact daily conditions that the typical street light is exposed to. This simulated street light load is captured using an interval metering device, and is processed as part of the distributor's daily interval meter interrogation, validation and processing procedures. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.32
Distribution Volumetric Rate	\$/kW	1.6919
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.5038)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2583

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Niagara Peninsula Energy Inc.
Niagara Falls Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
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EB-2009-0205

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component – effective September 21, 2009

Service Charge	\$	5.25
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**Niagara Peninsula Energy Inc.
Niagara Falls Hydro Inc.
TARIFF OF RATES AND CHARGES
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EB-2009-0205

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES**APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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Customer Administration		
Legal Letter Charge	\$	15.00
Account Set up Charge/Change of Occupancy Charge (Plus Credit Agency Costs If Applicable)	\$	30.00
Returned Cheque (Plus Bank Charges)	\$	20.00
Non-Payment of Account		
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 Hours	\$	185.00
Disconnect/Reconnect Charge – At Pole – During Regular Hours	\$	185.00
Disconnect/Reconnect Charge – At Pole – After Hours	\$	415.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

**Niagara Peninsula Energy Inc.
Niagara Falls Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
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EB-2009-0205

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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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

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0572
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0466

Appendix "B"

To Decision and Order

EB-2009-0206

DATED: April 8, 2010

Niagara Peninsula Energy Inc Peninsula West Utilities Limited

TARIFF OF RATES AND CHARGES

**Effective and Implementation Date May 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009**

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EB-2009-0206

RESIDENTIAL SERVICE CLASSIFICATION

One residential service per lot, per customer. Standard residential services will include all services up to and including 200 amp, 120/240 volt, single phase, three wire. Large residential services will include all services from 201 amp up to and including 400 amp, 120/240 volt, single phase, three wire. Infill residential services are those new residential services not considered to be part of a subdivision development by the Municipality of Lincoln, Pelham and West Lincoln. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Residential Urban

Service Charge	\$	10.04
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0180
Low Voltage Service Rate	\$/kWh	0.0023
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0007
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0064)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

Residential Suburban

Service Charge	\$	10.65
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0134
Low Voltage Service Rate	\$/kWh	0.0022
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0007
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0064)

**Niagara Peninsula Energy Inc
Peninsula West Utilities Limited
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
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Retail Transmission Rate – Network Service Rate	\$ /kWh	0.0052	EB-2009-0206
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$ /kWh	0.0051	

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$ /kWh	0.0052
Rural Rate Protection Charge	\$ /kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Niagara Peninsula Energy Inc
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TARIFF OF RATES AND CHARGES
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EB-2009-0206

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	10.35
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0176
Low Voltage Service Rate	\$/kWh	0.0018
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kWh	0.0007
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0065)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Niagara Peninsula Energy Inc
Peninsula West Utilities Limited
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EB-2009-0206

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

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 5,000 kW. Note that the following sub-classifications apply:

General Service 50 to 1,000 kW

General Service greater than 1,000 to 5,000 kW if they have a service of 1200 amps (600Y/347 volts) or larger. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	22.75
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kW	6.3575
Low Voltage Service Rate	\$/kW	0.7962
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	0.3116
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(1.9651)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9309
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7693

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Niagara Peninsula Energy Inc
Peninsula West Utilities Limited
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Effective and Implementation Date May 1, 2010
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EB-2009-0206

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less 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, crosswalks, 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. It is the responsibility of the customer to report to Pen West in writing any change of consumption to the installation. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	5.18
Distribution Volumetric Rate	\$/kWh	0.0173
Low Voltage Service Rate	\$/kWh	0.0021
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0010
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0064)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Niagara Peninsula Energy Inc
Peninsula West Utilities Limited
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2010
except for the microFIT Generator Class effective date of September 21, 2009**

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

EB-2009-0206

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	1.04
Distribution Volumetric Rate	\$/kW	0.9270
Low Voltage Service Rate	\$/kW	0.6051
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	0.2799
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(2.2732)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4635
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3963

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Niagara Peninsula Energy Inc
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EB-2009-0206

STREET LIGHTING SERVICE CLASSIFICATION

All services supplied to street lighting equipment owned by or operated for a municipality or the Province of Ontario shall be classified as Street Lighting Service. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.59
Distribution Volumetric Rate	\$/kW	0.7961
Low Voltage Service Rate	\$/kW	0.6741
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(2.1909)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4562
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3678

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Niagara Peninsula Energy Inc
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EB-2009-0206

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component – effective September 21, 2009

Service Charge	\$	5.25
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Niagara Peninsula Energy Inc Peninsula West Utilities Limited

TARIFF OF RATES AND CHARGES

**Effective and Implementation Date May 1, 2010
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EB-2009-0206

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Customer Administration		
Returned cheque (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
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 of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
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	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Service call – customer owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary service install & remove – overhead – no transformer	\$	500.00
Temporary service install & remove – underground – no transformer	\$	300.00
Temporary service install & remove – overhead – with transformer	\$	1000.00
Specific Charge for Access to the Power Poles (\$/pole/year)	\$	22.35

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EB-2009-0206

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

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

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0601
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0495
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A