



EB-2010-0274

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 Middlesex
Power Distribution Corporation - Dutton for an order or
orders approving or fixing just and reasonable distribution
rates and other charges, to be effective May 1, 2011.

BEFORE: Karen Taylor
Presiding Member

Paula Conboy
Member

DECISION AND ORDER

Introduction

Middlesex Power Distribution Corporation - Dutton ("Middlesex - Dutton"), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the "Board") on October 1, 2010 under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Middlesex - Dutton charges for electricity distribution, to be effective May 1, 2011.

Middlesex - Dutton is one of 80 electricity distributors in Ontario regulated by the Board. Middlesex - Dutton is one of the electricity distributors that will have its rates adjusted for 2011 on the basis of the 2nd Generation Incentive Rate Mechanism ("IRM") process, which provides 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 2011 rate adjustments for distributors applying for distribution rate adjustments pursuant to the IRM process. On July 9, 2010 the Board issued an update to Chapter 3 of the Board's *Filing Requirements for Transmission and Distribution Applications* (the "Filing Requirements"), which outlines the Filing Requirements for IRM applications based on the policies in the Report.

Notice of Middlesex - Dutton's rate application was given through newspaper publication in Middlesex - Dutton's service area advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. No letters of comment or requests for interventions were received. Board staff participated in the proceeding. The Board proceeded by way of a written hearing.

While the Board has considered the entire record in this proceeding, 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;
- Smart Meter Funding Adder;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Accounts; and
- Late Payment Penalty Litigation Costs.

Price Cap Index Adjustment

Middlesex - Dutton's rate application was filed on the basis of the Filing Requirements. In fixing new distribution rates and charges for Middlesex - Dutton, the Board has applied the policies described in the Filing Requirements and the Reports.

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 2010 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 rate model reflects this price cap index adjustment. The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes.

The price cap index adjustment will not apply to the following components of delivery 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;
- MicroFIT Service Charge; and
- Retail Service Charges.

Changes in the Federal and Provincial Income Tax Rates

In 2011, the maximum income tax rate is 28.25%, the minimum rate for those distributors eligible for both the federal and Ontario small business deduction is 15.50%, and the blended tax rate varies for certain distributors that are only eligible for the Ontario small business deduction. The model provided to distributors calculates the amount of change caused by the tax rate reductions and adjusts distribution rates by 100% of the total change from those taxes included in the most recent cost of service base distribution rates.

Middlesex - Dutton did not include a tax adjustment since the entity was in a tax loss position at the time of the last cost of service application such that no income tax amount was included in the Board-approved revenue requirement. The Board accepts this proposal.

Smart Meter Funding Adder

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

Middlesex - Dutton originally requested to change its smart meter funding adder ("SMFA") from \$1.00 to \$4.82 per metered customer per month.

In response to interrogatories from Board staff, Middlesex - Dutton submitted a revised smart meter model with corrections made to account for Net Income and Depreciation expense in the determination of PILs for 2011. Another correction was made to reflect the fact that 41 GS < 50 kW smart meters were installed in 2010 rather than 2009. Middlesex - Dutton revised the proposed SMFA to \$5.16 per metered customer per month.

In its submission, Board staff indicated that the smart meter model did not reflect the deemed short-term debt capitalization in determining the incremental revenue requirement for installed smart meters. This would result in a slight increase to the SMFA to \$5.17 per metered customer per month. Board staff submitted that a SMFA of \$3.50 per metered customer per month might more reasonably balance the goals of allowing some cost recovery while avoiding cost volatility, until an application for a prudence review and disposition of smart meter costs tracked in accounts 1555 and 1556 is made. Board staff noted that as an alternative, a change to a SMFA of \$3.25 would lead to a total bill impact attributable solely to the SMFA increase (keeping all other proposals in the application model as filed) of 2% for the residential class.

In its reply submission, Middlesex - Dutton agreed with Board staff's comments.

The Board notes that the SMFA is a tool designed to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board. The Board also observes that the SMFA was not intended to be compensatory (return on and of capital) on a cumulative basis over the term the SMFA was in effect. The SMFA was initially designed to fund future investment, not fully fund prior capital investment. In the Board's view, the funding of prior capital investment would increase the risk, absent a prudence review, of over recovery. The

Board is not saying that prudently incurred costs are not recoverable; it is stating that a determination of full recovery will be made as part of an application for a prudence review.

The Board is also concerned about the rate impact associated with the level of the proposed increase in the SMFA. Since the deployment of smart meters on a province-wide basis is now nearing completion, and for the reasons noted earlier, the Board expects distributors to file for a final prudence review at the earliest possible opportunity following the availability of audited costs. For those distributors that are scheduled to file a cost of service application for 2012 distribution rates, the Board expects that they will apply for the disposition of smart meter costs and subsequent inclusion in rate base. For those distributors that are scheduled to remain on IRM, the Board expects these distributors to file an application with the Board seeking final approval for smart meter related costs. In the interim, the Board will approve a SMFA of \$2.50 per metered customer per month from May 1, 2011 to April 30, 2012. This new SMFA will be reflected in the Tariff of Rates and Charges, and will cease on April 30, 2012. Middlesex - Dutton's variance accounts for smart meter program implementation costs, previously authorized by the Board, shall be continued.

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 Middlesex - Dutton applies for the recovery of these costs on a final basis, if applicable.

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"). Variance 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., variance accounts 1584 and 1586).

On July 8, 2010 the Board issued revision 2.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the “RTSR Guideline”). The RTSR Guideline outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2011. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new UTR levels and the revenues generated under existing RTSRs. The objective of resetting the rates is to minimize the prospective balances in accounts 1584 and 1586. In order to assist electricity distributors in the calculation of the distributor's specific RTSRs, Board staff provided a filing module. On January 18, 2011, the Board issued its Rate Order for Hydro One Transmission (EB-2010-0002) which adjusted the UTRs effective January 1, 2011. The new UTRs are shown in the following table:

Uniform Transmission Rates	kW Monthly Rates		Change
	Jan 1, 2010	Jan 1, 2011	
Network Service Rate	\$2.97	\$3.22	+8.4%
<u>Connection Service Rates</u>			
Line Connection Service Rate	\$0.73	\$0.79	
Transformation Connection Service Rate	\$1.71	\$1.77	
			+4.9%

The Board has adjusted each distributor's rate application model to incorporate these changes.

Based on the filing module provided by Board staff and the new UTRs effective January 1, 2011 noted in the table above, the Board approves the changes to the RSTRs calculated in the filing module.

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 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.

(i) Balances

Middlesex - Dutton 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.

In its Manager's Summary, Middlesex - Dutton explained that this claim relates to the 2005 to 2008 Group 1 account activities that were not submitted to the Board for disposition by the previous ownership. Staff noted that in Middlesex - Dutton's 2010 IRM application, the disposition of the balances as of December 31, 2008 was deferred to 2011 to allow time for the new owners to verify the deferral and variance account activities for the subject period. Staff noted that in its current application, Middlesex - Dutton stated that starting in 2009, deferral and variance account balances have been accounted for and filed on a consolidated basis for all Middlesex service areas. Any account activities in the Dutton service area would be captured by the parent company, Middlesex Power Distribution Corporation.

The combined total of Group 1 account balances is a debit of \$247,622 (credit balances are amounts payable to customers and debit balances are amounts recoverable from customers). Middlesex - Dutton included interest on these account balances using the Board's prescribed interest rates to April 30, 2011. Middlesex - Dutton's account balances as at December 31, 2008, plus projected carrying charges to April 30, 2011, are shown below (\$'s).

Account Description	Account Number	Principal Amounts A	Interest Amounts B	Total Claim C = A + B
LV Variance Account	1550	135,121	11,227	146,348
RSVA - Wholesale Market Service Charge	1580	5,566	324	5,890
RSVA - Retail Transmission Network Charge	1584	(3,896)	131	(3,764)
RSVA - Retail Transmission Connection Charge	1586	(1,607)	(213)	(1,821)
RSVA - Power (Excluding Global Adjustment)	1588	53,715	6,485	60,200
RSVA - Power (Global Adjustment Sub-account)	1588	45,108	(4,338)	40,770
		<u>234,006</u>	<u>13,617</u>	<u>247,622</u>

The Board notes that the proposed balances for disposition reconcile with Middlesex-Dutton's Reporting and Record-keeping Requirements ("RRR").

The Board approves the proposed balances for Group 1 accounts as presented by Middlesex - Dutton. The December 31, 2008 balances and projected interest up to April 30, 2011 are considered final. For accounting purposes, the respective balance in each

of the Group 1 accounts shall be transferred to the applicable sub-accounts in account 1595 established by the Board pursuant to the December 23, 2010 Frequently Asked Questions document accompanying the Accounting Procedures Handbook for disposition of balances in 2010, as soon as possible but no later than June 30, 2011 so that the RRR data reported in the second quarter of 2011 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 Middlesex - Dutton followed the guidelines outlined in the EDDVAR Report.

Middlesex - Dutton requested a 4 year mitigation plan for the disposition of its Group 1 account balances. Board staff ran four scenarios to assess the period that would be necessary to reduce the rate impact to below 10%. Board staff noted that a three year disposition would reduce the rate impact to 9.2%. Board staff did not object to the four year period. In its reply submission, Middlesex - Dutton agreed with Board staff's submission. The Board accepts the disposition period of four years proposed by Middlesex - Dutton for the purposes of mitigating total bill impacts.

The Board further directs Middlesex - Dutton to dispose of the Global Adjustment Sub Account 1588 by means of a rate rider included in the delivery component of the bill that will apply prospectively to non-RPP customers.

Late Payment Penalty Litigation Costs

In its application, Middlesex - Dutton requested the recovery of a one time expense of \$1,254.13 related to the late payment penalty ("LPP") costs and damages resulting from a court settlement that addressed litigation against many of the former municipal electricity utilities in Ontario.

On October 29, 2010 the Board commenced a generic proceeding on its own motion to determine whether Affected Electricity Distributors¹, including Middlesex - Dutton, should be allowed to recover from their ratepayers the costs and damages incurred as a result of the Minutes of Settlement approved on April 21, 2010 by the Honourable Mr.

¹ As defined in the Board's Decision and Order EB-2010-0295

Justice Cumming of the Ontario Superior Court of Justice (Court File No. 94-CQ-r0878) and as amended by addenda dated July 7, 2010 and July 8, 2010 in the late payment penalty class action and if so, the form and timing of such recovery. This proceeding was assigned file No. EB-2010-0295.

On February 22, 2011, the Board issued its Decision and Order and determined that it is appropriate for the Affected Electricity Distributors to be eligible to recover the costs and damages associated with the LPP class action in rates. The decision set out a listing of each Affected Electricity Distributor and their share of the class action costs that is approved for recovery. The Board also directed Affected Electricity Distributors such as Middlesex - Dutton to file with the Board detailed calculations including supporting documentation, outlining the derivation of the rate riders based on the methodology outlined in the EB-2010-0295 Decision and Order. The Board noted that the rate riders submitted would be verified in each Affected Electricity Distributor's IRM or cost of service application, as applicable. Middlesex - Dutton elected to recover the amount approved in the EB-2010-0295 proceeding and accordingly filed the associated rate riders.

The Board has reviewed Middlesex - Dutton's proposed rate riders and approves them as filed.

Rate Model

With this Decision, the Board is providing Middlesex - Dutton with a rate model (spreadsheet) and applicable supporting models and a draft Tariff of Rates and Charges (Appendix A) 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 2010 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. Middlesex - Dutton's new distribution rates shall be effective May 1, 2011.
2. Middlesex - Dutton shall review the draft Tariff of Rates and Charges set out in Appendix A. Dutton 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.

3. If the Board does not receive a submission from Middlesex - Dutton to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this order will become final effective May 1, 2011, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2011. Middlesex - Dutton shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.
4. If the Board receives a submission from Middlesex - Dutton to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission of Middlesex - Dutton and will issue a final Tariff of Rates and Charges.
5. Middlesex – Dutton shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2010-0274**, be made through the Board's web portal at, www.errr.ontarioenergyboard.ca and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

DATED at Toronto, March 17, 2011
ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Appendix A

To Decision and Order

Draft Tariff of Rates and Charges

Board File No: EB-2010-0274

DATED: March 17, 2011

Middlesex Power Distribution Corp.

Village of Dutton Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0274

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. 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 Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	12.82
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.15
Distribution Volumetric Rate	\$/kWh	0.0121
Low Voltage Service Rate	\$/kWh	0.0014
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kWh	0.0062
Rate Rider for Regulatory Asset Recovery – effective until April 30, 2012	\$/kWh	0.0039
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2015	\$/kWh	0.0065
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048

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

Middlesex Power Distribution Corp.

Village of Dutton Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0274

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account taking 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	\$	26.19
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.31
Distribution Volumetric Rate	\$/kWh	0.0058
Low Voltage Service Rate	\$/kWh	0.0013
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2015		
Applicable only for Non-RPP Customers	\$/kWh	0.0062
Rate Rider for Regulatory Asset Recovery – effective until April 30, 2012	\$/kWh	0.0089
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2015	\$/kWh	0.0065
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043

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

Middlesex Power Distribution Corp.

Village of Dutton Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0274

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 Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	0.94
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.01
Distribution Volumetric Rate	\$/kW	4.9826
Low Voltage Service Rate	\$/kW	0.4520
Rate Rider for Regulatory Asset Recovery – effective until April 30, 2012	\$/kW	6.2199
Retail Transmission Rate – Network Service Rate	\$/kW	1.7018
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3481

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

Middlesex Power Distribution Corp.

Village of Dutton Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

**This schedule supersedes and replaces all previously
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EB-2010-0274

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Street lighting plant, facilities or equipment owned by the customer are subject to the ESA requirements. 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 Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.63
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	1.49
Distribution Volumetric Rate	\$/kW	2.9535
Low Voltage Service Rate	\$/kW	0.4344
Rate Rider for Regulatory Asset Recovery – effective until April 30, 2012	\$/kW	2.4491
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2015	\$/kW	2.2139
Retail Transmission Rate – Network Service Rate	\$/kW	1.6933
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3205

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

Middlesex Power Distribution Corp.

Village of Dutton Service Area

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

This schedule supersedes and replaces all previously
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EB-2010-0274

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.

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 Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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**Middlesex Power Distribution Corp.
Village of Dutton Service Area
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2011**

**This schedule supersedes and replaces all previously
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EB-2010-0274

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)

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 Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Customer Administration

Arrears certificate	\$	15.00
Easement letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	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

Middlesex Power Distribution Corp.

Village of Dutton Service Area

TARIFF OF RATES AND CHARGES

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approved schedules of Rates, Charges and Loss Factors

EB-2010-0274

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.

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 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

1.0662