



EB-2010-0065

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 Bluewater Power Distribution Corp. 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

Bluewater Power Distribution Corp. ("Bluewater Power"), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the "Board") on October 15, 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 Bluewater Power charges for electricity distribution, to be effective May 1, 2011.

Bluewater Power is one of 80 electricity distributors in Ontario regulated by the Board. In 2008, the Board announced the establishment of a new multi-year electricity distribution rate-setting plan, the 3rd Generation Incentive Rate Mechanism ("IRM") process, which would be used to adjust electricity distribution rates starting in 2009 for those distributors whose 2008 rates were rebased through a cost of service review. As part of the plan, Bluewater Power is one of the electricity distributors that will have its

rates adjusted for 2011 on the basis of the 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 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on July 14, 2008, its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008, and its *Addendum to the Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on January 28, 2009 (together the "Reports"). Among other things, the Reports 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 Reports.

Notice of Bluewater Power's rate application was given through newspaper publication in Bluewater Power'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 were received. The Vulnerable Energy Consumers Coalition ("VECC") applied and was granted intervenor status in this proceeding. The Board granted VECC eligibility for cost awards in regards to Bluewater Power's request for lost revenue adjustment mechanism recoveries, revenue-to-cost ratio adjustments, and the issue of whether a wholesale market participant should partake in the disposition of accounts 1580 and 1588. Board staff also 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;
- Revenue-to-Cost Ratio Adjustments;
- Retail Transmission Service Rates;

- Review and Disposition of Group 1 Deferral and Variance Accounts;
- Review and Disposition of Lost Revenue Adjustment Mechanism; and
- Late Payment Penalty Litigation Costs.

Price Cap Index Adjustment

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

As outlined in the Reports, distribution rates under the 3rd Generation IRM are to be adjusted by a price escalator less a productivity factor (X-factor) of 0.72% and Bluewater Power's utility specific stretch factor of 0.4%. 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 0.18%. 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 Charges; and
- Retail Service Charges.

Changes in the Federal and Provincial Income Tax Rates

In its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for*

Ontario's Electricity Distributors dated September 17, 2008, the Board determined that a 50/50 sharing of the impact of currently known legislated changes, as applied to the tax level reflected in the Board-approved base rates for a distributor, is appropriate for the 3rd Generation IRM applications. This was based on a decision of the Board in a proceeding in relation to natural gas distributors' (EB-2007-0606/615) incentive regulation applications in which tax as a Z-factor was being considered. In this decision, the Board found that a 50/50 sharing is appropriate because it recognizes that tax changes already flow to some extent through the inflation factor, though the precise timing and quantum of the tax reduction during a current IRM period is not known.

The calculated annual tax reduction over the plan term will be allocated to customer rate classes on the basis of the Board-approved base-year distribution revenue. These amounts will be refunded to customers each year of the plan term, over a 12-month period, through a volumetric rate rider derived using annualized consumption by customer class underlying the Board-approved base 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 50% of the total change from those taxes included in the most recent cost of service base distribution rates.

The Board finds that a 50/50 sharing of the impact of changes from the tax level reflected in the Board-approved base rates to the currently known legislated tax level for 2011 is appropriate and shall be effected by means of a rate rider over a one-year period.

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.

Bluewater Power requested to change its utility-specific smart meter funding adder ("SMFA") from \$1.00 to \$2.00 per metered customer per month.

VECC submitted that Bluewater Power's SMFA should be allocated on a rate class basis using capital cost as the cost driver to allocate the 2011 smart meter related revenue requirement (similar to the approach used in proceeding EB-2010-0209 for Powerstream).

In its reply submission, Bluewater Power submitted that its proposed approach is consistent with the Board's methodology for calculating the SMFA.

The Board notes that an allocation of the SMFA by rate class is not required based on the Board's Guideline 2008-0002, dated October 22, 2008, and that the Board indicated in its EB-2010-0209 Decision on PowerStream Inc.'s 2010 smart meter prudence review application that the allocation of class-specific costs would not be a requirement. Therefore, the Board will not require the applicant to provide this information.

The Board also 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 (G-2008-0002). 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. Such treatment increases 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. 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 Bluewater Power's SMFA of \$2.00 per metered customer per month from May 1, 2011 to April 30, 2012. The SMFA will be reflected in the Tariff of Rates and Charges, and will cease on April 30, 2012. Bluewater Power'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 Bluewater Power applies for the recovery of these costs on a final basis, if applicable.

Revenue-to-Cost Ratios

Revenue-to-cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs allocated to that class. The Board has established target ratio ranges (the "Target Ranges") for Ontario electricity distributors in its report *Application of Cost Allocation for Electricity Distributors*, dated November 28, 2007.

The Board's Decision (EB-2008-0221) for Bluewater Power's 2009 cost of service rate application prescribed a phase-in period to adjust its revenue-to-cost ratios.

In response to interrogatories from VECC, Bluewater Power made a revision to its proposed revenue-to-cost ratios. The revised revenue-to-cost ratios for Bluewater Power are shown in Column 2 of Table 1.

Table 1 – Bluewater Power - Revenue-to-Cost Ratios (%)

Rate Class	2010 Ratio	Proposed 2011 Ratio	Target Range
	Column 1	Column 2	Column 3
Residential	103.00	103.00	85 – 115
GS < 50 kW	107.00	104.85	80 – 120
GS 50 – 999 kW	90.00	90.00	80 – 180
GS 1000 – 4,999 kW	101.00	101.00	80 – 180
Large Use	107.00	104.85	80 – 180
USL	75.00	80.00	80 – 120
Sentinel Lighting	59.67	72.33	70 – 120
Street Lighting	65.67	75.33	70 – 120

Board staff and VECC submitted that the revised proposed revenue-to-cost ratios are in accordance with the Board's findings in its EB-2008-0221 Decision.

The Board agrees that the revised proposed revenue-to-cost ratios are in accordance with the Board's findings referenced above. The Board therefore approves the proposed revenue-to-cost ratios.

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 distributors' 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:

Table 2 - 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 RTSRs 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

Bluewater Power requested that the Board review and approve the disposition of the December 31, 2009 Group 1 account balances as defined by the EDDVAR Report since the preset disposition threshold of \$0.001 per kWh was exceeded. The combined total of Group 1 account balances is a debit of \$4,636,569 (debit balances are amounts

recoverable from customers). Bluewater Power included interest on these account balances using the Board's prescribed interest rates to April 30, 2011. Bluewater Power's account balances as at December 31, 2009, plus projected carrying charges to April 30, 2011, are shown below.

Table 3 – Deferral and Variance Account Balances

Account Description	Account Number	Total Claim (\$)
LV Variance Account	1550	(76,166)
RSVA – Wholesale Market Service Charge	1580	(403,248)
RSVA - Retail Transmission Network Charge	1584	81,378
RSVA – Retail Transmission Connection Charge	1586	(175,610)
RSVA – Power (Excluding Global Adjustment)	1588	2,586,496
RSVA – Power (Global Adjustment Sub-account)	1588	2,606,090
Recovery of Regulatory Asset Balances	1590	17,629
Residual Balance Disposition and Recovery of Deferral / Variance Balances	1595	0
Total		4,636,569

Board staff noted that the principal amounts to be disposed as of December 31, 2009 reconcile with the amounts reported as part of the Reporting and Record-keeping Requirements (“RRR”). Board staff therefore submitted that the amounts should be disposed on a final basis.

The Board approves the proposed balances for Group 1 accounts as presented by Bluewater Power. The December 31, 2009 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 Bluewater Power followed the guidelines outlined in the EDDVAR

Report.

Bluewater Power proposed to dispose of all its Group 1 account balances over a two-year period to smooth rates in consideration that the full recovery of its smart meter related costs will be included in their 2013 cost of service application. In its submission, Board staff supported the two year disposition period proposed by Bluewater Power.

The Board will approve the disposition of the Group 1 accounts over a two-year period, subject to the determination set out below regarding the treatment of the wholesale market participant (“WMP”).

(iii) Wholesale Market Participant

Bluewater Power has one WMP embedded within its service territory. Bluewater Power invoices the customer for distribution charges, and retail transmission network and connection charges. Bluewater Power noted that the WMP customer has an arrangement with the IESO for the commodity and wholesale market service charges and settles directly with the IESO for these items.

In the 2010 IRM proceeding (EB-2009-0213), an issue arose as to whether the WMP should partake in the disposition of accounts 1580 and 1588. In its decision and order, the Board directed Bluewater Power to withhold \$200,000 for disposition at a later date, which was the approximate amount that would have been allocated to the WMP related to accounts 1580 and 1588. The Board also indicated that whether or not there will be a Board policy on this issue by the time Bluewater Power files its next rates application, Bluewater shall bring this matter forward at that time in any event.

Bluewater Power noted that, at this time, no Board policy has been issued in respect of the treatment of WMP customers. Therefore, Bluewater Power proposed that the \$200,000 credit balance held in accounts 1580 and 1588 be disposed to all eligible customer rate classes, with the exception of the WMP

Bluewater Power requested that the Group 1 Deferral and Variance Accounts be segregated so that a distinct rate rider can be established for the WMP that excludes the following account balances:

Account 1580 – RSVA Wholesale Market Service Charge

Account 1588 – RSVA Power (excluding Global Adjustment)

Account 1588 - RSVA Power (sub-account for Global Adjustment)

In response to Board staff interrogatory No.2, Bluewater Power agreed with the following characterization provided by Board staff in regards to the IESO's billing process for wholesale settlements;

“It is Board staff’s understanding that for the purpose of wholesale settlements, the IESO adjusts the WMP’s meter readings by the host distributor’s total loss factor (TLF). The TLF is the OEB approved rate and is comprised of the supply facilities loss factor (SFLF) and distribution loss factor (DLF). Also, the IESO arrives at the net kWh for the host distributor by backing out the kWh pertaining to the WMP. Therefore, all customers, including WMPs are billed for the Board approved loss factor, and the difference between the actual losses experienced by the distributor, and losses recovered based on the approved loss factor accumulate in account 1588 – RSVA Power (excluding Global Adjustment).”

Bluewater Power however noted that there are two components to Account 1588 – RSVA Power (excluding Global Adjustment). The main component is the commodity charge itself and the secondary component is the losses on the commodity. Bluewater Power stated that only losses on the commodity could apply to the WMP but this component is minor compared to the variance between what is charged by the IESO for the commodity and the corresponding collection from customers related to the commodity. Bluewater Power stated that the WMP does not contribute in any material way to the accumulation of the variance in Account 1588 – RSVA Power (excluding Global Adjustment).

Board staff submitted that the balances in Account 1580 – RSVA Wholesale Market Service Charge and Account 1588 - RSVA Power (Sub-account for Global Adjustment) should not be allocated to the WMP.

With respect to Account 1588 – RSVA Power (excluding Global Adjustment), Board staff agreed with Bluewater Power that there are two components that accumulate in this account, the commodity charge, and the losses on the commodity. Board staff submitted that the commodity component is due to estimations used to address timing differences between wholesale and retail billing cycles (e.g. the accrual for unbilled

revenue) and that such differences are temporary in nature. On the other hand, the line losses component of the account balance in 1588 constitutes a permanent difference.

Board staff submitted that there are two options regarding the disposition of account 1588 – RSVA Power (excluding Global Adjustment). These options are:

Option 1:

Exclude the WMP from the disposition of the balance in account 1588 – RSVA Power (excluding Global Adjustment). Under this scenario, the WMP would never contribute to the disposition of the difference between actual losses, and those recovered in rates. This treatment is based on the assumption that line losses would not be material, and as such, this treatment would not amount to undue cross-subsidization from other customers.

Option 2:

Dispose of the balance in account 1588 – RSVA Power (excluding Global Adjustment) to all customers to recognize that all customers should bear the responsibility for commodity losses. Under this scenario, the WMP would be subject to the disposition of temporary amounts related to timing differences relating to commodity charges for RPP and non-RPP customers. However, since these temporary variances reverse themselves from one year to the next, all customers would be kept whole over time.

Board staff requested that Bluewater Power comment in its reply submission on both options and provide further evidence that would support the claim that the WMP does not contribute in any material way to the accumulation in the variance in account 1588 – RSVA Power (excluding Global Adjustment). In the absence of further details on the materiality of the loss factor component, Board staff submitted that option #2 should be adopted to ensure that all customers bear the responsibility for commodity losses.

With respect to Bluewater Power's proposal to dispose of the \$200,000 credit balance held in accounts 1580 and 1588 (as a result of the Board's Decision in EB-2009-0213), Board staff submitted that the options relating to the disposition of account 1588 – RSVA Power (excluding Global Adjustment) described above would also be applicable.

VECC supported Bluewater Power's proposal to exclude the WMP customer from the disposition of accounts 1580 and 1588.

In regards to the WMP's contribution to account 1588 – RSVA Power (excluding Global Adjustment), Bluewater Power noted that there is no mechanism in place to calculate the potential difference between deemed and actual losses in the account. Bluewater Power also noted in its reply submission that any variance that might exist related to the WMP would not be material. Bluewater Power estimated that the WMP-related line loss variance in account 1588 –RSVA Power (excluding Global Adjustment) would be approximately \$3,400, which is not material.

Bluewater Power also submitted that under option 2, the cash-flow impact on the WMP would amount to approximately \$316,000 (over a 2-year period) which materially exceeds the difference between deemed and actual line losses of \$3,400 which it would be intended to recover over time. Bluewater Power concluded that since the WMP does not contribute to the temporary commodity-related variance in account 1588 and given that option 2 would impose significant cash-flow impacts on the WMP, option 1 would be the preferred approach.

The Board agrees with Bluewater Power, VECC and Board staff that the balances in Account 1580 – RSVA Wholesale Market Service Charge and Account 1588 - RSVA Power (Sub-account for Global Adjustment) should not be allocated to the WMP.

With respect to Account 1588 – RSVA Power (excluding Global Adjustment), the Board is persuaded by the evidence presented by Bluewater Power that the WMP does not contribute in any material way to the balances in this account and therefore finds that the WMP should not participate in its disposition. The Board therefore finds that option 1 is appropriate.

These findings apply to both the \$200,000 credit balance that was held in accounts 1580 and 1588 as a result of the Board's decision in the EB-2010-0213 proceeding and the December 31, 2009 balances in accounts 1580 and 1588 presented in this proceeding.

(iv) Global Adjustment Sub-account – Separate Rate Rider

Bluewater Power proposed to dispose of the global adjustment sub-account balance by means of a separate rate rider that would apply prospectively to non-RPP customers as either part of the delivery or the electricity component of the bill.

In Interrogatory No. 1, Board staff asked Bluewater Power to confirm that it has the billing capability to accommodate a separate rate rider in the delivery component for non-RPP customers. Bluewater Power stated that it would expect to be capable of implementing any disposition method approved by the Board. Bluewater Power also noted that it had used the wording “electricity component of the bill” to be consistent with the wording used in the 2011 IRM3 Deferral and Variance Account Workform. Bluewater Power however clarified that it is not proposing that the GA sub-account rate rider be part of the electricity component of the bill. Bluewater Power clarified that the proposed GA sub-account rate rider would appear as a separate line item on the bill, underneath the current “Global Adjustment” line item, and would be called the “Global Adjustment Rate Variance”.

Board staff submitted that Bluewater Power’s proposal to dispose of the GA sub-account through a distinct rate rider applied only to non-RPP customers is appropriate as this method was approved by the Board for numerous other distributors as part of the 2010 IRM and cost of service applications.

Board staff noted that the prevalent practice amongst distributors is to dispose of the GA sub-account by means of a separate rate rider that applies prospectively to non-RPP customers and that is included in the delivery component of the bill. Board staff further noted that during the process for the 2010 IRM applications, the Board approved the recovery of the GA sub-account balance in the electricity component of the bill for non-RPP customers only in cases where the distributor could not readily accommodate a separate rate rider that would apply prospectively to non-RPP customers in the delivery component of the bill. Since Bluewater Power indicated that it is able to implement a separate rate rider in the delivery component of the bill, Board staff submitted that this approach should be adopted by the Board.

The Board agrees with Board staff that the prevalent practice amongst distributors is to dispose of the GA sub-account by means of a separate rate rider applicable to non-RPP customers that is included in the delivery component of the bill. The Board approves

the disposition of the GA sub-account balance by means of separate rate rider applicable to non-RPP customers that is included in the delivery component of the bill subject to the determination set out above regarding the WMP.

Review and Disposition of Lost Revenue Adjustment Mechanism

Bluewater Power sought approval to recover an LRAM claim of \$241,149 over a 2-year period.

The Board's Guidelines for Electricity Distributor Conservation and Demand Management (the "CDM Guidelines") issued on March 28, 2008 outline the information that is required when filing an application for LRAM or SSM.

The Board's Decision on LRAM in the Horizon application (EB-2009-0192) stated that distributors are to use the most current input assumptions which have been adopted by the Board when preparing their LRAM applications as these assumptions represent the best estimate of the impacts of the programs.

Board staff and VECC supported the LRAM claim as filed. Board staff noted that Bluewater Power has complied with the Board's CDM Guidelines in preparing the LRAM portion of the Application.

The Board continues to endorse the principle of LRAM, which is that distributors are to be kept whole for revenue that they have forgone as a direct consequence of implementing CDM programs. The Board is of the view that the most current OPA Measures and Assumptions List, as updated by the OPA from time to time, represents the best estimate of losses associated with a distributor's CDM programs.

The Board approves the recovery of an LRAM amount of \$241,149 which is consistent with the principles set out in the Horizon Decision. The Board approves the recovery by means of a volumetric rate rider over a 2-year period.

Late Payment Penalty Litigation Costs

In this application, Bluewater Power requested the recovery of a one time expense of \$149,121 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 Bluewater Power, 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. 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 Bluewater Power 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. Bluewater Power elected to recover the amount approved in the EB-2010-0295 proceeding and accordingly filed the associated rate riders.

The Board has reviewed Bluewater Power's proposed rate riders and approves them as filed.

Rate Model

With this Decision, the Board is providing Bluewater Power 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.

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

THE BOARD ORDERS THAT:

1. Bluewater Power's new distribution rates shall be effective May 1, 2011.
2. Bluewater Power shall review the draft Tariff of Rates and Charges set out in Appendix A. Bluewater Power 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 Bluewater Power 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. Bluewater Power 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 Bluewater Power 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 Bluewater Power and will issue a final Tariff of Rates and Charges.
5. Bluewater Power shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

Cost Awards

The Board will issue a separate decision on cost awards once the following steps are completed:

1. Intervenors eligible for cost awards shall submit their cost claims no later than 14 days from the date of this Decision and Order.
2. Bluewater Power shall file its response, if any, no later than 28 days from the date of this Decision and Order.
3. Intervenors shall file their reply to Bluewater Power's response no later than 35 days

from the date of this Decision and Order.

All filings to the Board must quote file number **EB-2010-0065**, 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, April 7, 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-2010-0065

DATED: April 7, 2011

Bluewater Power Distribution Corp.

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-2010-0065

RESIDENTIAL SERVICE CLASSIFICATION

All service supplied to single-family dwelling units for domestic or household purposes shall be classed as residential service. Where electricity service is provided for combined residential and business purposes (including agricultural usage) and the wiring does not provide for separate metering, the classification shall be in the discretion of Bluewater Power Distribution Corporation ("Bluewater Power") and shall be based on such considerations as the estimated predominant consumption or the municipal tax roll classification. A residential customer may be found in a detached, semi-detached, linear row housing, apartment building or mixed-use building. Where more than one dwelling is served by a single meter, that service shall be considered a General Service Customer. 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	\$	13.68
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.21
Distribution Volumetric Rate	\$/kWh	0.0186
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0016)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	0.0012
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2011) – effective until April 30, 2013	\$/kWh	0.0004
Rate Rider for Tax Change – effective until April 30, 2012	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0053

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

Bluewater Power Distribution Corp.

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-2010-0065

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a customer not designated as Residential, and that over a twelve month period has, or a new customer forecast to have, an average monthly peak demand less than 50 kW, and has a monthly peak demand that never exceeds 100 kW. Bluewater Power shall review this rate class designation on an annual basis and the customer's designated rate class may change as a result. 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	\$	24.01
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.59
Distribution Volumetric Rate	\$/kWh	0.0169
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0026
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0015)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	0.0012
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2011) – effective until April 30, 2013	\$/kWh	0.0001
Rate Rider for Tax Change – effective until April 30, 2012	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047

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

Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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EB-2010-0065

GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION

This classification applies to a customer not designated as Residential, and that over a twelve month period has, or a new customer forecast to have, an average monthly peak demand equal to or greater than 50 kW and less than 1,000 kW. This rate class designation is reviewed on an annual basis and the customer's designated rate class may change as a result. 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	\$	140.76
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	4.94
Distribution Volumetric Rate	\$/kW	3.5306
Low Voltage Service Rate	\$/kW	0.0722
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	0.9340
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.4975)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.4186
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.0415)
Retail Transmission Rate – Network Service Rate	\$/kW	2.3223
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8744

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

Bluewater Power Distribution Corp.

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-2010-0065

GENERAL SERVICE 1,000 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a customer not designated Residential, and that: over a twelve month period has, or a new customer forecast to have, an average monthly peak demand equal to or greater than 1,000 kW and less than 5,000 kW. This rate class designation is reviewed on an annual basis and the customer's designated rate class may change as a result. 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	\$	3,094.40
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	37.36
Distribution Volumetric Rate	\$/kW	1.2678
Low Voltage Service Rate	\$/kW	0.0792
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	1.1736
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.5536)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.5237
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.0245)
Retail Transmission Rate – Network Service Rate	\$/kW	2.4665
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.0548

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

Bluewater Power Distribution Corp.

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-2010-0065

LARGE USE SERVICE CLASSIFICATION

This classification applies to a customer not designated as Residential, and that over 12 consecutive billing periods has, or a new customer forecast to have, an average monthly peak demand equal to or greater than 5,000 kW. This rate class designation is reviewed on an annual basis and the customer's designated rate class may change as a result. 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	\$	24,647.31
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	266.92
Distribution Volumetric Rate	\$/kW	1.4742
Low Voltage Service Rate	\$/kW	0.0905
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers and excluding Wholesale Market Participants	\$/kW	1.4724
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.8479)
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012		
Applicable only for Wholesale Market Participants	\$/kW	(0.2717)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.6579
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Wholesale Market Participants	\$/kW	(0.0530)
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.0318)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.7310
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.3498

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

Bluewater Power Distribution Corp.

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-2010-0065

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand is less than, or a new customer 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, railway crossings, etc. The level of the consumption will be agreed to by Bluewater Power and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. 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)	\$	14.57
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.27
Distribution Volumetric Rate	\$/kWh	0.0396
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0017)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kWh	0.0012
Rate Rider for Tax Change – effective until April 30, 2012	\$/kWh	(0.0005)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047

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

Bluewater Power Distribution Corp.

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-2010-0065

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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	2.87
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.04
Distribution Volumetric Rate	\$/kW	18.9589
Low Voltage Service Rate	\$/kW	0.0570
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	1.0829
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.7337)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.4944
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.2667)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7603
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4793

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

Bluewater Power Distribution Corp.

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-2010-0065

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. 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)	\$	1.87
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.03
Distribution Volumetric Rate	\$/kW	14.4684
Low Voltage Service Rate	\$/kW	0.0558
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kW	0.9441
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.4856)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2013	\$/kW	0.42122
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.2134)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7513
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4491

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

Bluewater Power Distribution Corp.
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-2010-0065

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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Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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EB-2010-0065

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

Duplicate invoices for previous billing	\$	15.00
Income tax letter	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	10.00
Returned Cheque charge (plus bank charges)	\$	15.00
Special meter reads	\$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect Charge - At Meter During Regular Hours	\$	65.00
Disconnect/Reconnect Charge - At Meter After Hours	\$	185.00

Specific Charge for Access to the Power Poles – \$/per pole/year	\$	22.35
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Bluewater Power Distribution Corp.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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EB-2010-0065

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	1.0356
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0253
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045