

Ontario Energy
Board

Commission de l'énergie
de l'Ontario



EB-2010-0397

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15;

AND IN THE MATTER OF a determination by the Ontario
Energy Board on the Rural or Remote Electricity Rate
Protection Benefit and Charge for 2011 as required under
section 79(1) of the *Ontario Energy Board Act, 1998* and
Ontario Regulation 442/01.

By delegation, before: Adrian Pye

DECISION WITH REASONS

December 20, 2010

INTRODUCTION

Ontario Regulation 442/01 requires that the Ontario Energy Board (the “Board”) perform the following steps to determine the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for the next year:

- calculate the amount of RRRP benefit eligible consumers will receive;
- receive from the Independent Electricity System Operator (“IESO”) a forecast of the number of kilowatt hours of electricity that will be withdrawn from the IESO-controlled grid, as determined in accordance with the market rules, for use by consumers in Ontario during the next calendar year; and
- calculate the amount of the charge to be collected by the IESO for each kilowatt hour of electricity that is withdrawn from the IESO-controlled grid, as determined in accordance with the market rules, for use by consumers in Ontario, so that the total amount of RRRP benefit forecast to be collected is equal to the total amount of rate protection to be provided.

DETERMINING THE 2011 RRRP BENEFIT AND CHARGE

In accordance with Ontario Regulation 442/01, the Board has estimated the total RRRP benefit in 2011 to be \$172 million. The IESO’s applicable 2011 Demand Forecast, filed with the Board 60 days prior to year end, is 139.8 TWh. The Board notes that any over or under recovery of the total RRRP amount in 2011 will be tracked in a variance account held by Hydro One Networks Inc.

The Board has determined that effective January 1, 2011, the RRRP charge to be collected by the IESO shall remain at the current level of 0.13 cents per kilowatt-hour.

The Board has made its determination on the RRRP charge based on Ontario Regulation 442/01 and the requirements of the *Ontario Energy Board Act, 1998*. Ontario Regulation 442/01 prescribes the methodology the Board will use to determine the RRRP charge for any given year.

IMPLEMENTATION

Effective January 1, 2011, the RRRP charge to be collected by the IESO shall be 0.13 cents per kilowatt-hour.

Attached to this Decision are communications to the IESO (Appendix A) and to distributors and retailers (Appendix B) regarding the RRRP charge for 2011.

DATED at Toronto, December 20, 2010

ONTARIO ENERGY BOARD

Original Signed By

Adrian Pye
Manager, Licence Applications

APPENDIX A

To Decision With Reasons

Communication to the IESO on the 2011 RRRP Charge

Board File No. EB-2010-0397

Dated: December 20, 2010

**Ontario Energy
Board**
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27th Floor
2300 Yonge Street
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BY EMAIL

December 20, 2010

Mr. Carl Burrell
Senior Regulatory Analyst
Independent Electricity System Operator
655 Bay Street, Suite 401
Toronto, ON, M5G 2K4

Dear Mr. Burrell:

Re: Rural or Remote Electricity Rate Protection

Ontario Regulation 442/01 (Rural or Remote Electricity Rate Protection) (made under the *Ontario Energy Board Act, 1998*) requires the Ontario Energy Board (the "Board") to calculate the amount to be charged by the Independent Electricity System Operator ("IESO") with respect to Rural or Remote Electricity Rate Protection ("RRRP") for each kilowatt-hour of electricity that is withdrawn from the IESO-controlled grid.

Amount to be charged by the IESO for RRRP

The Board has determined that effective January 1, 2011, the RRRP charge to be collected by the IESO shall be 0.13 cents per kilowatt-hour.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

APPENDIX B

To Decision With Reasons

**Communication to All Licensed Electricity Distributors and
Retailers on the 2011 RRRP Charge**

Board File No. EB-2010-0397

Dated: December 20, 2010

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BY EMAIL

December 20, 2010

To: All Licensed Electricity Distributors and Retailers

Re: Rural or Remote Electricity Rate Protection

Ontario Regulation 442/01 (Rural or Remote Electricity Rate Protection) (made under the *Ontario Energy Board Act, 1998*) requires the Ontario Energy Board (the "Board") to calculate the amount to be charged by the Independent Electricity System Operator ("IESO") with respect to Rural or Remote Rate Protection ("RRRP") for each kilowatt-hour of electricity that is withdrawn from the IESO-controlled grid.

Amount to be Charged by the IESO for RRRP

Based on the demand forecast provided by the IESO, the Board has determined that effective January 1, 2011, the amount to be charged by the IESO with respect to the RRRP shall be 0.13 cents per kilowatt-hour.

Amount to be Charged by Distributors and Retailers for RRRP

Effective January 1, 2011, the amount to be charged by distributors and retailers to their customers with respect to the RRRP shall be 0.13 cents per kilowatt-hour.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary