

Ontario Energy Board **Commission de l'énergie de l'Ontario**



EB-2009-0419

IN THE MATTER OF A DETERMINATION BY THE ONTARIO ENERGY BOARD:

2010 Rural or Remote Electricity Rate Protection Benefit and Charge

DECISION WITH REASONS

December 24, 2009

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 2010 as required under
Section 79(1) of the *Ontario Energy Board Act, 1998* and
Ontario Regulation 442/01 (as amended);

AND IN THE MATTER OF a determination by the Ontario
Energy Board under Section 21(4) of the *Ontario Energy
Board Act, 1998* to dispose of this proceeding without a
hearing.

BEFORE: Howard Wetston
Chair and Presiding Member

Gordon Kaiser
Vice Chair and Member

Pamela Nowina
Vice Chair and Member

DECISION WITH REASONS

December 24, 2009

INTRODUCTION

Ontario Regulation 442/01 (as amended) 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Independent Electricity System Operator (“IESO”) a forecast of the number of kilowatt hours of electricity that will be withdrawn from the IESO-controlled grid, as determined in accordance with the market rules, for use by consumers in Ontario during the next calendar year; and
- calculate the amount of the charge to be collected by the IESO for each kilowatt hour of electricity that is withdrawn from the IESO-controlled grid, as determined in accordance with the market rules, for use by consumers in Ontario, so that the total amount of RRRP benefit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 2010 RRRP BENEFIT AND CHARGE

In accordance with Ontario Regulation 442/01 the Board has estimated the total RRRP benefit in 2010 to be \$187 million. The IESO’s applicable 2010 Demand Forecast, filed with the Board 60 days prior to year end, is 138 TWh.

BOARD FINDINGS

The Board has determined that effective January 1, 2010, the RRRP charge to be collected by the IESO shall be 0.13 cents per kilowatt-hour, which is the same as the charge established effective May 1, 2009.

DETERMINATION TO DISPOSE OF THIS PROCEEDING WITHOUT A HEARING

The Board has made its determination on the RRRP charge based on Ontario Regulation 442/01 (as amended) 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.

The Board has determined that there is no material impact resulting from this Decision and, therefore, no person will be adversely affected in a material way by the outcome of the proceeding.

IMPLEMENTATION

The RRRP charge to be collected by the IESO shall continue to be 0.13 cents per kilowatt-hour effective January 1, 2010 and until such time as the Board revises it.

Attached to this Decision are communications to the IESO (Appendix A) and to distributors and retailers (Appendix B) regarding the RRRP charge for 2010.

DATED at Toronto, December 24, 2009
ONTARIO ENERGY BOARD

Howard Wetston
Presiding Member

Original Signed By

Gordon Kaiser
Presiding Member

Original Signed By

Pamela Nowina
Member

Original Signed By

APPENDIX A

Communication to the IESO on the 2010 RRRP Charge

Ontario Energy Board
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY EMAIL

December 24, 2009

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, 2010 and until such time as the Board revises it, the RRRP charge to be collected by the IESO shall remain at the current level of 0.13 cents per kilowatt-hour.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

APPENDIX B

Communication to All Licensed Electricity Distributors and
Retailers on the 2010 RRRP Charge

Ontario Energy Board
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY EMAIL

December 24, 2009

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 and 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 the amount to be charged by the IESO with respect to the RRRP shall remain at the current level of 0.13 cents per kilowatt-hour effective January 1, 2010 and until such time as the Board revises it.

Amount to be Charged by Distributors and Retailers for RRRP

Effective January 1, 2010 and until such time as the Board revises it, the RRRP charge shall remain at the current level of 0.13 cents per kilowatt-hour.

The Board reminds all distributors that in the collection of this amount from customers, the customer's metered energy consumption shall be adjusted by the Total Loss Factor as approved by the Board.

In addition, the Board reminds all distributors and retailers that in accordance with subsection 5(6) of the Ontario Regulation 442/01:

A distributor or retailer who bills a consumer for electricity shall aggregate the amount that the consumer is required to contribute to the compensation required by subsection 79(3) of the Act with the wholesale market service rate described in the Electricity Distribution Rate Handbook issued by the Board, as it read on October 31, 2001.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary