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**BY E-MAIL**

September 20, 2012

**To: All Licensed Electricity Distributors**

**Re: Update to Fixed Monthly Charge for microFIT Generator Service Classification Board File Numbers EB-2009-0326 and EB-2010-0219**

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As part of the EB-2009-0326<sup>1</sup> proceeding, the Board established a province-wide fixed monthly charge for all electricity distributors related to the microFIT Generator Service Classification at \$5.25 per month.

In the *Report of the Board "Review of Electricity Distribution Cost Allocation Policy"* dated March 31, 2011 (EB-2010-0219)<sup>2</sup>, the Board indicated its intention to update the default province-wide microFIT charge each year. The Board also stated that:

In calculating the annual update to the default province-wide microFIT charge, the Board will use the data collected on the microFIT worksheet from all distributors filing a cost of service application, along with the most recent information on record for distributors that are not filing a cost of service application in that year. The costs for distributors that have a Board-approved distributor-specific microFIT charge will also be included as part of these data.

The updated province-wide charge will be communicated by the Board in November of each year. Distributors that do not have a distributor-specific microFIT charge will be expected to request to change their microFIT charge to the updated default province-wide microFIT charge as part of their annual incentive regulation application or cost of service application.

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<sup>1</sup> <http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/176892/view/>

<sup>2</sup> [http://www.ontarioenergyboard.ca/OEB/Documents/EB-2010-0219/Board\\_Report\\_CA\\_Policy\\_for\\_Distributors\\_20110331.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/EB-2010-0219/Board_Report_CA_Policy_for_Distributors_20110331.pdf)

The Board has updated the cost data of electricity distributors based on their most recent Board approved cost of service application using the methodology established by the Board in the EB-2009-0326 proceeding and further refined in the EB-2010-0219 report. The resulting value was calculated to be \$5.40 per month.

Therefore, the Board has determined that distributors shall reflect the updated province-wide fixed monthly charge for all electricity distributors related to the microFIT Generator Service Classification as \$5.40 per month effective with the implementation of their 2013 cost of service based or incentive regulation based applications. If a distributor has already filed a cost of service application for 2013 rates, the distributor should file a letter as part of its application confirming that it seeks to adopt the default value of \$5.40 per month. As part of that letter, the distributor should provide details of the additional revenue that would result from this revised rate. This rate would then be incorporated into the appropriate models as part of the final rate order process. For IRM applications, Board staff will update the appropriate models during the course of the respective proceedings unless a letter is received from the distributor requesting an alternative approach.

The Board reminds distributors that they may request a distributor-specific microFIT charge as part of their cost of service applications. Any distributor that applies for a distributor-specific charge will be required to demonstrate that the experience it has gained provides sufficient and adequate evidence for it.

Yours truly,

*Original Signed By*

Kirsten Walli  
Board Secretary