



**EB-2015-0002**

**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 Green Energy Plan Electricity Rate Protection Benefit and Charge for 2015 as required under Section 79.1 of the *Ontario Energy Board Act, 1998* and Ontario Regulation 330/09;

**AND IN THE MATTER OF** a determination by the Ontario Energy Board under Section 6 (4) of the *Ontario Energy Board Act, 1998* to dispose of this proceeding without a hearing.

By delegation, before: Lynne Anderson

**DECISION WITH REASONS AND ORDER**

**January 22, 2015**

## INTRODUCTION

Under section 79.1 of the *Ontario Energy Board Act, 1998* (the Act), the Ontario Energy Board (the Board), in approving just and reasonable rates for a distributor that incurs costs to make an eligible investment for the purpose of connecting or enabling the connection of a qualifying generation facility to its distribution system, shall provide rate protection for prescribed consumers or classes of consumers in the distributor's service area by reducing the rates that would otherwise apply in accordance with the prescribed rules.

Ontario Regulation 330/09 (the Regulation) states that the rate protection amount is to be collected by the Independent Electricity System Operator (the IESO) from all electricity market participants. The Regulation requires the Board to determine the monthly amount to be collected by the IESO such that the total amount to be collected is equal to the total amount of rate protection provided.

The Board determines the total amount to be collected by aggregating the rate protection amounts determined for each qualifying distributor as established in their respective distribution rate decisions. On July 18, 2014, through Board Decision and Order EB-2014-0222, eleven distributors were provided with rate protection. Since the issuance of the EB-2014-0222 Decision and Order, the rate protection for Hydro One Networks Inc. was discontinued and one additional distributor, Fort Frances Power Corporation, was approved for rate protection.

## BOARD FINDINGS: 2015 COMPENSATION AMOUNT AS OF JANUARY 1, 2015

The Board has determined the amount to be collected by the IESO as of January 1, 2015 is \$45,182 per month. This amount is based on the distribution rate decisions noted below in which the Board determined the 2015 compensation amounts:

For **Horizon Utilities Corporation** (Horizon): \$8,480 for 2015 (EB-2011-0172 dated December 21, 2011);

- The monthly amount of \$707 is derived by dividing the annual total by 12 months.

For **Guelph Hydro Electric Systems Inc.** (Guelph): \$69,508 for 2015 (EB-2011-0123 dated March 21, 2012);

- The monthly amount of \$5,792 is derived by dividing the annual total by 12 months.

For **Enersource Hydro Mississauga Inc.** (Enersource): \$82,972 for 2015 (EB-2014-0068 dated December 4, 2014);

- The monthly amount of \$6,914 is derived by dividing the annual total by 12 months.

For **PowerStream Inc.** (PowerStream): \$261,290 for 2015 (EB-2014-0108 dated December 4, 2014);

- The monthly amount of \$21,774 is derived by dividing the annual total by 12 months.

For **Thunder Bay Hydro Electricity Distribution Inc.** (Thunder Bay): \$21,710 for the 2014/2015 rate year, effective May 1, 2014 (EB-2012-0167 Rate Order dated May 9, 2013).

- The monthly amount of \$1,809 is derived by dividing the annual total by 12 months.

For **Peterborough Distribution Inc.** (Peterborough): \$13,375 for the 2014/2015 rate year, effective May 1, 2014 (EB-2012-0160 Rate Order dated August 23, 2013).

- The monthly amount of \$1,115 is derived by dividing the annual total by 12 months.

For **Veridian Connections Inc.** (Veridian): \$17,352 for the 2014/2015 rate year (EB-2013-0174 Decision and Order dated April 10, 2014);

- The monthly amount of \$1,446 is derived by dividing the annual total by 12 months.

For **Kitchener-Wilmot Hydro Inc.** (Kitchener-Wilmot): \$1,200 for 2015 (EB-2013-0147 Rate Order dated May 1, 2014);

- The monthly amount of \$100 is derived by dividing the annual total by 12 months.

For **Haldimand County Hydro Inc.** (Haldimand County): \$44,346 for 2014 (EB-2013-0134 Decision and Rate Order dated April 16, 2014).

- The monthly amount of \$3,696 is derived by dividing the annual total by 12 months.

For **Niagara-on-the-Lake Hydro Inc.** (Niagara-on-the-Lake): \$17,610 for 2014 (EB-2013-0155 Rate Order dated May 8, 2014).

- The monthly amount of \$1,468 is derived by dividing the annual total by 12 months.

As the Niagara-on-the-Lake amount was approved as one-time OM&A only, this will complete the recovery and no further amounts will be paid to Niagara-on-the-Lake.

For **Fort Frances Power Corporation** (Fort Frances): \$2,170 annually or \$181 monthly for the 2014/2015 rate year (EB-2013-0130) Decision and Rate Order dated September 18, 2014), effective September 1, 2014. As Fort Frances did not receive recovery for the 4 months in 2014 for which it was eligible, the amount for the January 1 to April 30 2015 period will be adjusted for 4 months, making the recovery \$362 per month.

As noted above the Board discontinued the rate protection for Hydro One Networks Inc. Distribution when it issued its EB-2013-0416 Decision and Interim Rate Order, dated December 18, 2014.

In summary, based on the decisions noted above, the following monthly amounts are to be forwarded to the qualifying distribution utilities:

- Horizon Utilities Corporation \$ 707
- Guelph Hydro Electric Systems Inc. \$ 5,792

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• Enersource Hydro Mississauga Inc.	\$	6,914
• PowerStream Inc.	\$	21,774
• Thunder Bay Hydro Distribution Inc.	\$	1,809
• Peterborough Distribution Inc.	\$	1,115
• Veridian Connections Inc.	\$	1,446
• Kitchener-Wilmot Hydro Inc.	\$	100
• Haldimand County Hydro Inc.	\$	3,696
• Niagara-on-the-Lake Hydro Inc.	\$	1,468
• Fort Frances Power Corporation	\$	362

The monthly amount to be collected by the IESO from all market participants in 2015 effective January 1, 2015 is \$ 45,182. The monthly charge for each market participant will vary with the actual consumption of the market participant in that month.

In making this determination, the Board acknowledges that the above noted distributors will be passing on their share of this charge to their electricity distribution customers through the Wholesale Market Service Rate (WMSR) currently approved by the Board at \$0.0044 per kWh. It is the Board's view that at its current level, this charge will have a negligible impact on balances in the Wholesale Market Service - Retail Services Variance Account (Account 1580) and the Board will not adjust the WMSR at this time.

### **DETERMINATION TO DISPOSE OF THIS PROCEEDING WITHOUT A HEARING**

The Board has made its determination of the 2015 compensation amount to be collected by the IESO in accordance with the Regulation and the requirements of the Act. The Regulation prescribes the methodology which the Board uses to determine the amount to be collected for any given year.

The total amount to be collected by the IESO for 2015 is derived from previous decisions of the Board in which compensation amounts were determined for qualifying distributors: EB-2013-0416, EB-2014-0068, EB-2011-0172, EB-2011-0123, EB-2014-0108, EB-2012-0167, EB-2012-0160, EB-2013-0174, EB-2013-0147, EB-2013-0134, EB-2013-0155 and EB-2013-0130. The findings in this Decision involve only the implementation of findings in previous decisions. The Board has therefore determined that no person will be adversely affected in a material way by the outcome of this proceeding. In accordance with section 6 (4) of the Act, this matter has been determined without a hearing.

**IMPLEMENTATION**

The monthly amount to be collected by the IESO shall be \$45,182 per month effective January 1, 2015 and until such time as the Board revises this amount.

Attached to this Decision and Order are communications to the IESO (Appendix A) and to distributors (Appendix B) regarding the 2015 monthly charge as of January 1, 2015.

**THEREFORE THE BOARD ORDERS THAT:**

1. Effective January 1, 2015, the IESO shall collect \$45,182 per month until such time as the Board revises this amount.

**DATED** at Toronto, January 22, 2015  
**ONTARIO ENERGY BOARD**

*Original Signed By*

Lynne Anderson  
Vice-President, Applications

**APPENDIX A**

**To Decision With Reasons and Order**

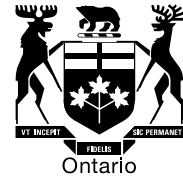
**Communication to the IESO on Collection of Compensation Amounts under  
Ontario Regulation 330/09 as of January 1, 2015**

**Board File No. EB-2015-0002**

**Dated: January 22, 2015**

**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**  
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**BY EMAIL**

January 22, 2015

Adrian Pye  
Independent Electricity System Operator  
Station A, Box 4474  
Toronto ON M5W 4E5

Dear Mr. Pye:

**Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2015, as of January 1, 2015**

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board (the Board) to calculate the monthly amount to be collected by the Independent Electricity System Operator (the IESO) to provide compensation to qualifying distributors for rate protection provided to consumers.

The Board has issued previous orders, setting the compensation amount for 2010, 2011, 2012, 2013 and 2014, authorizing the IESO to implement the charge for each of those years. On January 22, 2015 the Board issued its Decision and Order (EB-2015-0002) establishing the compensation amounts as of January 1, 2015.

**Amount to be charged by the IESO as of January 1, 2015**

In its EB-2015-0002 Decision and Order, the Board determined that effective January 1, 2015 and until such time as the Board orders otherwise, the amount to be collected by the IESO from all market participants shall be \$45,182 per month.

The Board expects the IESO to implement this charge as soon as possible with monthly amounts adjusted, if necessary, to ensure the entire amount is collected and remitted to the qualifying distributors in a timely manner.



The following monthly amounts are to be forwarded to the following qualifying distribution utilities:

• Horizon Utilities Corporation	\$	707
• Guelph Hydro Electric Systems Inc.	\$	5,792
• Enersource Hydro Mississauga Inc.	\$	6,914
• PowerStream Inc.	\$	21,774
• Thunder Bay Hydro Distribution Inc.	\$	1,809
• Peterborough Distribution Inc.	\$	1,115
• Veridian Connections Inc.	\$	1,446
• Kitchener-Wilmot Hydro Inc.	\$	100
• Haldimand County Hydro Inc.	\$	3,696
• Niagara-on-the-Lake Hydro Inc.	\$	1,468
• Fort Frances Power Corporation	\$	362

Yours truly,

*Original Signed By*

Kirsten Walli  
Board Secretary

cc: Hydro One Networks Inc.  
Enersource Hydro Mississauga Inc.  
Horizon Utilities Corporation  
Guelph Hydro Electric Systems Inc.  
PowerStream Inc.  
Thunder Bay Hydro Distribution Inc.  
Peterborough Distribution Inc.  
Veridian Connections Inc.  
Kitchener-Wilmot Hydro Inc.  
Haldimand County Hydro Inc.  
Niagara-on-the-Lake Hydro Inc.  
Fort Frances Power Corporation

Attachment

**APPENDIX B**

**To Decision With Reasons and Order**

**Communication to Distributors on Collection of Compensation Amounts under  
Ontario Regulation 330/09 as of January 1, 2015**

**Board File No. EB-2015-0002**

**Dated: January 22, 2015**

**Ontario Energy Board**  
P.O. Box 2319  
27th. Floor  
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**BY EMAIL**

January 22, 2015

To: All Licensed Electricity Distributors

**Re: Collection of Compensation Amounts under Ontario Regulation 330/09 for 2015, as of January 1, 2015**

Ontario Regulation 330/09 under the *Ontario Energy Board Act, 1998*, regarding cost recovery for eligible investments for the purpose of connecting or enabling the connection of a qualifying generation facility to a distribution system, requires the Ontario Energy Board to calculate the monthly amount to be collected by the Independent Electricity System Operator (the "IESO") to provide compensation to qualifying distributors for rate protection provided to consumers. On January 22, 2015 the Board issued its EB-2015-0002 Decision and Order directing the IESO to adjust the charge effective January 1, 2015. The EB-2015-0002 Decision and Order is attached.

### **Amount to be Charged by the IESO as of January 1, 2015**

The EB-2015-0002 Decision and Order established the 2015 compensation amount (as of January 1, 2015) for the following qualifying distributors, based on the rate decisions setting annual amounts for those distributors:

- Horizon Utilities Corporation Inc. (EB-2011-0172);
- Guelph Hydro Electric Systems Inc.: (EB-2011-0123);
- Enersource Hydro Mississauga Inc. (EB-2014-0068);
- PowerStream Inc. (EB-2014-0108);
- Thunder Bay Hydro Distribution Inc. (EB-2012-0167);
- Peterborough Distribution Inc. (EB-2012-0160);
- Veridian Connections Inc. (EB-2013-0174);
- Kitchener-Wilmot Hydro Inc. (EB-2013-0147);
- Haldimand County Hydro Inc. (EB-2013-0134);

- Niagara-on-the-Lake Hydro Inc. (EB-2013-0155), and
- Fort Frances Power Corporation (EB-2013-0130).

Commencing January 1, 2015, \$45,182 per month will be collected from all Ontario ratepayers and distributed to the qualifying distributors.

The monthly amount billed to each distributor in the province will vary depending on the kWh withdrawn from the IESO-controlled grid for each month.

### **Amount to be Charged by Distributors in 2015**

In determining the amount to be collected from the IESO, the Board acknowledged that distributors will be passing on this charge to their electricity distribution customers through the Wholesale Market Service Rate (WMSR) currently approved by the Board at \$0.0044 per kWh. It is the Board's view that at its current level, the Renewable Generation Compensation Rate Protection would have a minimal impact on balances in the Wholesale Market Service - Retail Services Variance Account (Account 1580) and therefore did not adjust the WMSR. The WMSR will remain at its current level of \$0.0044 per kWh until such time as the Board amends the WMSR.

Yours truly,

*Original Signed By*

Kirsten Walli  
Board Secretary

Attachment