



EB-2015-0177

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 AND ORDER

May 21, 2015

INTRODUCTION

When new generating facilities are connected to any power system, upgrades to the wires and other parts of the system are sometimes required to maintain the safety of the infrastructure and reliability of the electricity service to customers.

Ontario distributors are required to plan their systems based on their expectations of new electricity generation projects connecting to their systems. Based on their plans, distributors can apply to the Ontario Energy Board for funding to recover the cost of assets to enable and to connect renewable generation to their distribution systems.

These investments present a benefit for the entire Ontario Electricity system. Accordingly, the OEB is required to take steps to ensure that all Ontario customers, not just the ratepayers of the individual distributor, contribute to the costs of these investments.

The OEB determines the eligibility of the connection investment made by each distributor in their distribution rate decisions and issues an order to the IESO to collect and disburse specific amounts based on the approved entitlements. These decisions are made pursuant to Ontario Regulation 330/09 (the Regulation).

The OEB has been issuing these decisions since May 1, 2010. The latest such decision was issued on January 22, 2015 under file number EB-2015-0002. It provided eleven distributors with funding.

This Decision provides an updated order to the IESO regarding the amounts to be collected and remitted to eligible distributors. Since the issuance of the EB-2015-0002 Decision and Order, the funding for Niagara-on-the-Lake Hydro was discontinued and no additional distributors were approved. A number of distributors have had their recoveries amended, to be consistent with OEB findings.

OEB FINDINGS: 2015 COMPENSATION AMOUNT AS OF MAY 1, 2015

The OEB has determined the amount to be collected by the IESO as of May 1, 2015 is \$58,430 per month. This amount is based on the distribution rate decisions noted below in which the Board determined the May 1, 2015 compensation amounts:

For **Horizon Utilities Corporation** (Horizon): unchanged at \$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 **Enersource Hydro Mississauga Inc.** (Enersource): unchanged at \$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): unchanged at \$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 **Guelph Hydro Electric Systems Inc.** (Guelph): unchanged at \$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 **Thunder Bay Hydro Electricity Distribution Inc.** (Thunder Bay): unchanged at \$21,710 annually for the 2014/2015 rate year, continuing effective May 1, 2015 (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): amended to \$13,117 for the 2015/2016 rate year, effective May 1, 2015 (EB-2012-0160 Rate Order dated August 23, 2013).

- The monthly amount of \$1,093 is derived by dividing the annual total by 12 months.

For **Veridian Connections Inc.** (Veridian): amended to \$37,059 for the 2015/2016 rate year effective May 1, 2015 (EB-2013-0174 Decision and Order dated April 10, 2014);

- The monthly amount of \$3,088 is derived by dividing the annual total by 12 months.

For **Kitchener-Wilmot Hydro Inc.** (Kitchener-Wilmot): unchanged at \$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): amended to \$203,655 for the 2015/2016 rate year, effective May 1, 2015 (EB-2013-0134 Decision and Rate Order dated April 16, 2014).

- The monthly amount of \$16,971 is derived by dividing the annual total by 12 months.

For **Fort Francis Power Corporation** (Fort Francis): amended to \$2,170 for the 2015/2016 rate year, effective May 1, 2015 (EB-2013-0130) Rate Order dated May 8, 2014).

- The monthly amount of \$181 is derived by dividing the annual total by 12 months.

As **Niagara-on-the-Lake** completed its recoveries as of April 30, 2015, no further amounts will be paid.

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
• Enersource Hydro Mississauga Inc.	\$	6,914
• PowerStream Inc.	\$	21,774
• Guelph Hydro Electric Systems Inc.	\$	5,792
• Thunder Bay Hydro Distribution Inc.	\$	1,809
• Peterborough Distribution Inc.	\$	1,093
• Veridian Connections Inc.	\$	3,088
• Kitchener-Wilmot Hydro Inc.	\$	100
• Haldimand County Hydro Inc.	\$	16,971
• Fort Frances Power Corporation	\$	181

The monthly amount to be collected by the IESO from all market participants in 2015 effective May 1, 2015 is \$ 58,430. 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 OEB 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 OEB at \$0.0044 per kWh. It is the OEB'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 OEB will not adjust the WMSR at this time.

DETERMINATION TO DISPOSE OF THIS PROCEEDING WITHOUT A HEARING

The OEB 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 OEB 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 OEB in which compensation amounts were determined for qualifying distributors: EB-2011-0172, EB-2014-0068, EB-2014-0108, EB-2011-0123, EB-2012-0167, EB-2012-0160, EB-2013-0174, EB-2013-0147, EB-2013-0134 and EB-2013-0130. The findings in this Decision involve only the implementation of findings in previous decisions. The OEB 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 \$58,430 per month effective May 1, 2015 and until such time as the OEB 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 May 1, 2015.

THEREFORE THE BOARD ORDERS THAT:

1. Effective May 1, 2015, the IESO shall collect \$58,430 per month until such time as the Board revises this amount.

DATED at Toronto, May 21, 2015

ONTARIO ENERGY BOARD

Original Signed By

Lynne Anderson
Vice President, Applications

APPENDIX A

To Decision and Order

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

Board File No. EB-2015-0177

Dated: May 21, 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
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

May 21, 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 May 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 OEB) 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 OEB has issued previous orders, setting the compensation amount for 2010, 2011, 2012, 2013, 2014 and for January 1, 2015, authorizing the IESO to implement the charge for each of those years. On May 21, 2015 the OEB issued its Decision and Order (EB-2015-0177) establishing the compensation amounts as of May 1, 2015.

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

In its EB-2015-0177 Decision and Order, the OEB determined that effective May 1, 2015 and until such time as the OEB orders otherwise, the amount to be collected by the IESO from all market participants shall be \$58,430 per month.

The OEB 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
• Enersource Hydro Mississauga Inc.	\$	6,914
• PowerStream Inc.	\$	21,774
• Guelph Hydro Electric Systems Inc.	\$	5,792
• Thunder Bay Hydro Distribution Inc.	\$	1,809
• Peterborough Distribution Inc.	\$	1,093
• Veridian Connections Inc.	\$	3,088
• Kitchener-Wilmot Hydro Inc.	\$	100
• Haldimand County Hydro Inc.	\$	16,971
• Fort Frances Power Corporation	\$	181

As Niagara-on-the-Lake completed its recoveries as of April 30, 2015, no further amounts will be paid.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

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

Attachment

APPENDIX B

To Decision and Order

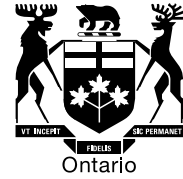
**Communication to Distributors on Collection of Compensation Amounts under
Ontario Regulation 330/09 as of May 1, 2015**

Board File No. EB-2015-0177

Dated: May 21, 2015

Ontario Energy Board
P.O. Box 2319
27th. Floor
2300 Yonge Street
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Numéro sans frais: 1-888-632-6273



BY EMAIL

May 21, 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 (the OEB) 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 May 21, 2015 the Board issued its EB-2015-0177 Decision and Order directing the IESO to adjust the charge effective May 1, 2015. The EB-2015-0177 Decision and Order is attached.

Amount to be Charged by the IESO as of May 1, 2015

The EB-2015-0177 Decision and Order established the 2015 compensation amount (as of May 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);
- Enersource Hydro Mississauga Inc. (EB-2014-0068);
- PowerStream Inc. (EB-2014-0108);
- Guelph Hydro Electric Systems Inc.: (EB-2011-0123);
- 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);

- Fort Frances Power Corporation (EB-2013-0130).

Commencing May 1, 2015, a total of \$58,430 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 OEB 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 OEB at \$0.0044 per kWh. It is the OEB'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 OEB amends the WMSR.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

Attachment