



EB-2011-0164

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

AND IN THE MATTER OF an application by Cooperative Hydro Embrun Inc. for an order or orders approving or fixing just and reasonable distribution rates and other charges, to be effective May 1, 2012.

BEFORE: Karen Taylor
Presiding Member

Paula Conboy
Member

DECISION AND ORDER

Introduction

Cooperative Hydro Embrun Inc. (“Embrun”), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the “Board”) on September 16, 2011 under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Embrun charges for electricity distribution, to be effective May 1, 2012.

Embrun is one of 77 electricity distributors in Ontario regulated by the Board. The *Report of the Board on 3rd Generation Incentive Regulation for Ontario’s Electricity Distributors* (the “IR Report”), issued on July 14, 2008, establishes a three year plan term for 3rd generation incentive regulation (“IR”) (i.e., rebasing plus three years). In its October 27, 2010 letter regarding the development of a Renewed Regulatory Framework for Electricity (“RRFE”), the Board announced that it was extending the 3rd

generation IR plan until such time as the RRFE policy initiatives have been substantially completed. As part of the plan, Embrun is one of the electricity distributors that will have its rates adjusted for 2012 on the basis of the IRM process, which provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

To streamline the process for the approval of distribution rates and charges for distributors, the Board issued its *Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on July 14, 2008, its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008, and its *Addendum to the Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on January 28, 2009 (collectively the "Reports"). Among other things, the Reports contain the relevant guidelines for 2012 rate adjustments for distributors applying for distribution rate adjustments pursuant to the IRM process. On June 22, 2011 the Board issued an update to Chapter 3 of the Board's *Filing Requirements for Transmission and Distribution Applications* (the "Filing Requirements"), which outlines the Filing Requirements for IRM applications based on the policies in the Reports.

Notice of Embrun's rate application was given through newspaper publication in Embrun's service area advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. No letters of comment were received. The Notice of Application indicated that intervenors would be eligible for cost awards with respect to Embrun's proposal for lost revenue adjustment mechanism ("LRAM") recovery and the disposition of Account 1562 (Deferred Payments in Lieu of Taxes). The Vulnerable Energy Consumers Coalition ("VECC") applied and was granted intervenor status in this proceeding. The Board also granted VECC eligibility for cost awards in regards to Embrun's request for LRAM recovery. Board staff also participated in the proceeding. The Board proceeded by way of a written hearing.

By letter dated November 11, 2011, the Board determined that Embrun's request for the disposition of Account 1562 is not consistent with the various decisions made in the course of the Combined PILS proceeding¹. Accordingly, the Board determined that it would not hear the application for the disposition of Account 1562 as part of this proceeding but would consider it on a stand-alone basis in a separate application. The

¹ EB-2008-0381 Account 1562 Deferred PILs Combined Proceeding

Board noted its expectation that Embrun would address the disposition of Account 1562 in a stand-alone application to be filed no later than April 1, 2012.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection;
- Retail Transmission Service Rates;
- Shared Tax Savings;
- Review and Disposition of Group 1 Deferral and Variance Account Balances;
- Review and Disposition of Account 1521: Special Purpose Charge; and
- Review and Disposition of Lost Revenue Adjustment Mechanism.

Price Cap Index Adjustment

As outlined in the Reports, distribution rates under the 3rd Generation IRM are to be adjusted by a price escalator, less a productivity factor (X-factor) of 0.72% and a stretch factor.

On March 13, 2012, the Board announced a price escalator of 2.0 % for those distributors under IRM that have a rate year commencing May 1, 2012.

The stretch factors are assigned to distributors based on the results of two benchmarking evaluations to divide the Ontario industry into three efficiency cohorts. In its letter to Licensed Electricity Distributors dated December 1, 2011 the Board assigned to Embrun efficiency cohort 2 and a cohort specific stretch factor of 0.4%.

On that basis, the resulting price cap index adjustment is 0.88%. The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across customer classes that are not eligible for Rural or Remote Electricity Rate Protection.

The price cap index adjustment will not apply to the following components of delivery rates:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural or Remote Rate Protection Charge;
- Standard Supply service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;
- Specific Service Charges;
- MicroFIT Service Charges; and
- Retail Service Charges.

Rural or Remote Electricity Rate Protection

On December 21, 2011, the Board issued a Decision with Reasons and Rate Order (EB-2011-0405) establishing the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for 2012. The Board amended the RRRP charge to be collected by the Independent Electricity System Operator from the current \$0.0013 per kWh to \$0.0011 per kWh effective May 1, 2012. The final Tariff of Rates and Charges flowing from this IRM Decision will reflect the new RRRP charge.

Retail Transmission Service Rates

Electricity distributors are charged the Ontario Uniform Transmission Rates (“UTRs”) at the wholesale level and subsequently pass these charges on to their distribution customers through the Retail Transmission Service Rates (“RTSRs”). Variance accounts are used to capture timing differences and differences in the rate that a distributor pays for wholesale transmission service compared to the retail rate that the distributor is authorized to charge when billing its customers (i.e. variance accounts 1584 and 1586).

On June 22, 2011 the Board issued revision 3.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the “RTSR Guideline”). The RTSR Guideline outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2012. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission

costs adjusted for the new UTR levels and the revenues generated under existing RTSRs. The objective of resetting the rates is to minimize the prospective balances in accounts 1584 and 1586. In order to assist electricity distributors in the calculation of the distributors' specific RTSRs, Board staff provided a filing module.

On December 20, 2011 the Board issued its Rate Order for Hydro One Transmission (EB-2011-0268) which adjusted the UTRs effective January 1, 2012, as shown in the following table.

Table 1

Uniform Transmission Rates	Jan 1, 2012
Network Service Rate	\$3.57
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.80
Transformation Connection Service Rate	\$1.86

The Board finds that these 2012 UTRs are to be incorporated into the filing module.

Shared Tax Savings

In its Supplemental Report, the Board determined that a 50/50 sharing of the impact of currently known legislated tax changes, as applied to the tax level reflected in the Board-approved base rates for a distributor, is appropriate.

The calculated annual tax reduction over the IRM plan term will be allocated to customer rate classes on the basis of the Board-approved base-year distribution revenue. These amounts will be refunded to customers each year of the plan term, over a 12-month period, through a volumetric rate rider using annualized consumption by customer class underlying the Board-approved base rates.

Embrun completed the shared tax savings filing module and calculated an incremental tax savings of \$763 of which \$382 (50%) is to be shared with its customers. Embrun requested that the entire Board-approved amount for refund be recorded in a USoA account to be determined by the Board for disposition in a future rate setting since the rate riders for one or more rate classes result in energy-based rate riders of \$(0.0000) when rounded to the fourth decimal place.

The Board agrees with Embrun's request and directs Embrun to record the tax sharing refund of \$382 in variance Account 1595 by June 30, 2012 for disposition at a future date.

Review and Disposition of Group 1 Deferral and Variance Accounts

The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report* (the "EDDVAR Report") provides that, during the IRM plan term, the distributor's Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

Embrun requested that the Board review its Group 1 Deferral and Variance account balances as of December 31, 2010, including interest as of April 30, 2012. The total balance of Embrun's Group 1 accounts, including interest as of April 30, 2012, is a credit of \$12,392. Since this amount results in a total claim per kWh of (\$0.000430), which does not exceed the preset disposition threshold, Embrun did not seek to dispose of its Group 1 account balances.

In response to Board staff interrogatory #1, Embrun stated that the balances had been calculated using a cash basis.

In its submission, Board staff noted that the Board's general practice is to clear Deferral and Variance Account balances that have been audited. This requirement is part of the EDDVAR Report. Board staff submitted that since Embrun's RRR 2.1.7 numbers as of December 31, 2010 reconcile with the 2010 audited financial statements, and that the RRR 2.1.7 balances are based on an accrual method, the latter should be used to clear the Group 1 account balances. Board staff also noted that if the RRR 2.1.7 balances were used for the Group 1 accounts, the balance would be a credit of \$91,447, and the total claim per kWh (\$0.003140) would exceed the preset disposition threshold. Board staff requested that Embrun provide in its reply submission the Group 1 RRR 2.1.7 balances as of December 31, 2010 including carrying charges as of April 30, 2012. Board staff submitted that the Board may consider ordering the disposition of Embrun's Group 1 RRR 2.1.7 account balances in this proceeding.

In its reply submission, Embrun revised its Group 1 account balances as at December 31, 2010, with carrying charges projected to April 30, 2012 using the RRR 2.1.7 which amount to a credit of \$91,447.

Embrun proposed to dispose of its Group 1 account balances over a four-year period in order to mitigate and smooth rate impacts when the rate riders cease.

Board staff submitted that the proposed disposition period is not consistent with the guidelines outlined in the EDDVAR Report with respect to the default disposition period (one year) for Group 1 accounts. Board staff also noted that while some volatility in electricity bills may result from adopting a shorter disposition period, using a disposition period as long as four years would contribute to intergenerational inequity. Further, Board staff expressed the view that the Board should strike a balance between reducing intergenerational inequity and mitigating rate volatility. Board staff recommended that a two-year disposition period be adopted for all of Embrun's Group 1 account balances.

In its reply submission, Embrun stated that while it acknowledges the desire to reduce the intergenerational inequity, it stands behind its request for a four year disposition period.

The Board finds it appropriate to order the disposition of the Group 1 Account balances on an accrual basis, consistent with the RRR 2.1.7. Accordingly, the Board approves the disposition of a credit balance of \$91,447 on a final basis as at December 31, 2010 plus interest to April 30, 2012. The Board is of the view that a two year disposition period more appropriately balances the issues of intergenerational equity and rate mitigation, particularly as it relates to balances that are payable to customers.

The table below identifies the principal and interest amounts approved for disposition for Group 1 Accounts.

Table 2

Account Name	Account Number	Principal Balance A	Interest Balance B	Total Claim C = A + B
LV Variance Account	1550	\$2,550	\$31	\$2,581
RSVA - Wholesale Market Service Charge	1580	-\$77,125	-\$1,613	-\$78,738
RSVA - Retail Transmission Network Charge	1584	-\$3,359	-\$8	-\$3,367
RSVA - Retail Transmission Connection Charge	1586	-\$28,972	-\$548	-\$29,520
RSVA - Power (excluding Global Adjustment)	1588	-\$24,450	-\$192	-\$24,642
RSVA - Power – Global Adjustment Sub-Account	1588	\$27,114	\$570	\$27,684
Recovery of Regulatory Asset Balances	1590			
Disposition and Recovery of Regulatory Balances (2008)	1595	\$14,507	\$48	\$14,555
Disposition and Recovery of Regulatory Balances (2009)	1595			
Group 1 Total				-\$91,447

For accounting and reporting purposes, the respective balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 by June 30, 2012 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances are effective in rates, which generally is the start of the rate year (e.g. May 1), and this entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (Quarter 3) RRR data reported.

Review and Disposition of Account 1521: Special Purpose Charge

The Board authorized Account 1521, Special Purpose Charge Assessment (“SPC”) Variance Account in accordance with Section 8 of *Ontario Regulation 66/10*

(*Assessments for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs*) (the “SPC Regulation”). Accordingly, any difference between (a) the amount remitted to the Minister of Finance for the distributor’s SPC assessment and (b) the amounts recovered from customers on account of the assessment were to be recorded in “Sub-account 2010 SPC Assessment Variance” of Account 1521.

In accordance with Section 8 of the SPC Regulation, distributors are required to apply no later than April 15, 2012 for an order authorizing the disposition of any residual balance in sub-account 2010 SPC Assessment Variance. The Filing Requirements states the Board’s expectation that requests for disposition of this account balance would be heard as part of the proceedings to set rates for the 2012 year.

Embrun requested the disposition of a residual debit balance of \$5,689 as at December 31, 2010, and carrying costs until April 30, 2012 over a one year period. In response to Board staff interrogatory #5, Embrun provided a detailed reconciliation of the balance in Account 1521 and updated their request for disposition to a debit balance of \$325, comprising principal as of December 31, 2010, plus collections in 2011 and interest to April 30, 2012.

Board staff submitted that despite the usual practice, the Board should authorize the disposition of Account 1521 as of December 31, 2010, plus the amounts recovered from customers in 2011, including interest, because the account balance does not require a prudence review, and electricity distributors are required by regulation to apply for disposition of this account. Board staff recommended that the \$325 debit balance in Account 1521 be included in the rate rider calculations for the Group 1 account balances and be disposed over two years. Board staff noted that an alternative approach would be to include this insignificant balance in Account 1595 for future disposition.

In its reply submission, Embrun agreed to dispose of the revised total of \$325, comprising principal as of December 31, 2011 and interest to April 30, 2012.

The Board will approve the disposition of a debit balance of \$325 in Account 1521 on a final basis, representing principal balance at December 31, 2010 plus amounts recovered from customers in 2011 plus carrying costs until April 30, 2012. The Board approves a two year recovery period. The Board directs Embrun to close Account 1521 effective May 1, 2012.

For accounting and reporting purposes, the balance of Account 1521 shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 by June 30, 2012 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances are effective in rates, which generally is the start of the rate year (e.g. May 1), and this entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (Quarter 3) RRR data reported.

Review and Disposition of Lost Revenue Adjustment Mechanism

The Board's *Guidelines for Electricity Distributor Conservation and Demand Management* (the "CDM Guidelines") issued on March 28, 2008 outline the information that is required when filing an application for LRAM or SSM.

Embrun originally sought to recover a total LRAM claim of \$23,748 over a one-year period. The lost revenues include the effect of CDM programs implemented from 2006-2010 for the years 2006-2010. Embrun requested approval of these savings persisting until April 30, 2012. Embrun subsequently updated its LRAM claim to \$23,482.09 based on the Ontario Power Authority's ("OPA") 2010 final program results.

Board staff noted that Embrun requested the recovery of an LRAM amount that includes the effect of new 2010 programs as well as persistence for 2006-2009 programs in 2010 and persistence of 2006-2010 programs from January 1, 2011 to April 30, 2012. Board staff also noted that Embrun's rates were last rebased in 2010. Board staff further noted that Embrun has not collected lost revenues associated with the 2006, 2007, 2008 or 2009 OPA CDM programs, years where Embrun was under IRM.

Board staff did not support the recovery of the requested persisting lost revenues from 2006-2009 CDM programs in 2010, the lost revenues from 2010 CDM programs, or the lost revenues from 2006-2010 CDM programs persisting from January 1, 2011 to April 30, 2012 as these amounts should have been built into Embrun's last approved load forecast.

Board staff further submitted that it supports the approval of the 2006, 2007, 2008, and 2009 lost revenues requested by Embrun as these lost revenues took place during IRM years and have not been recovered by Embrun.

Board staff requested that Embrun provide an updated LRAM amount that only includes lost revenues from 2006-2009 and the associated rate riders.

VECC submitted that in accordance with the Board's Guidelines and recent decisions, energy savings from CDM programs implemented between 2006 and 2010 are not accruable in 2010 through April 30, 2012 as savings should have been incorporated in the 2010 load forecast at the time of rebasing. VECC also submitted that it supports the approval of the lost revenues requested by Embrun in 2006 to 2009 for OPA CDM programs implemented from 2006 to 2009 as Embrun did not collect these lost revenues while under IRM in the years prior to rebasing.

In its reply submission, Embrun stated that while some LDCs in their applications specifically lower their load forecast in the test year and in subsequent years to include expected future reductions due to their adoption of CDM initiatives, Embrun did not have the sophistication to take this approach. They stated that their forecast was developed in expectation of making LRAM claims in future years to compensate it for any subsequent CDM initiatives it undertook. Embrun submitted that therefore its LRAM application is indeed appropriate.

Embrun also stated that its current LRAM claim is built on the same premise of persistence accepted by the Board in earlier decisions. Embrun further stated that they by default did not include CDM programs in its 2010 load forecast and should be fully entitled to claim an LRAM related to these programs. Embrun submitted that disallowing an LRAM claim for un-forecasted CDM would act as a major disincentive to participation in future CDM initiatives at Embrun and other LDCs.

Embrun submitted that its LRAM claim is appropriate and is fully consistent with previous Board decisions and requested that the Board approve the LRAM claim for \$23,482.

The Board will not approve the LRAM claim associated with new 2010 programs implemented in 2010 and persistence from 2006 to 2010 programs in 2011 and 2012. Embrun's rates were rebased in 2010 and absent specific language indicating that these effects were not included in the 2010 load forecast, the CDM Guidelines prevail. The Board will approve an LRAM claim of \$14,053.89 which represents lost revenues associated with the 2006 – 2009 OPA CDM programs for years where Embrun was under IRM and have not otherwise been subject to recovery by Embrun, consistent with the Guidelines. The Board approves the recovery over a two year period.

Rate Model

With this Decision, the Board is providing Embrun with a rate model (spreadsheet) and applicable supporting models and a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2011 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. Embrun's new distribution rates shall be effective May 1, 2012.
2. Embrun shall review the draft Tariff of Rates and Charges set out in Appendix A. Embrun shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information within **7 days** of the date of issuance of this Decision and Order.
3. If the Board does not receive a submission from Embrun to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this order will become final effective May 1, 2012, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2012. Embrun shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.
4. If the Board receives a submission from Embrun to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission of Embrun and will issue a final Tariff of Rates and Charges.

Cost Awards

The Board will issue a separate decision on cost awards once the following steps are completed:

1. VECC shall submit their cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Embrun shall file with the Board and forward to VECC any objections to the claimed costs within **21 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to Embrun any responses to any objections for cost claims within **28 days** from the date of issuance of the final Rate Order.
4. Embrun shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2011-0164**, be made through the Board's web portal at, www.errr.ontarioenergyboard.ca and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

DATED at Toronto, March 22, 2012

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A
To Decision and Order
Draft Tariff of Rates and Charges
Board File No: EB-2011-0164
DATED: March 22, 2012

Cooperative Hydro Embrun Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0164

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	13.63
Distribution Volumetric Rate	\$/kWh	0.0127
Low Voltage Service Rate	\$/kWh	0.0014
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until April 30, 2014	\$/kWh	0.0004
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0021)
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014		
Applicable only for Non-RPP Customers	\$/kWh	0.0014
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Cooperative Hydro Embrun Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0164

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	20.24
Distribution Volumetric Rate	\$/kWh	0.0167
Low Voltage Service Rate	\$/kWh	0.0013
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0021)
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014		
Applicable only for Non-RPP Customers	\$/kWh	0.0014
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0056
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Cooperative Hydro Embrun Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0164

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	244.10
Distribution Volumetric Rate	\$/kW	4.5228
Low Voltage Service Rate	\$/kW	0.4778
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until April 30, 2014	\$/kW	0.0284
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.7109)
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014		
Applicable only for Non-RPP Customers	\$/kW	0.4834
Retail Transmission Rate – Network Service Rate	\$/kW	2.2389
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7009

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Cooperative Hydro Embrun Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0164

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per customer)	\$	39.82
Distribution Volumetric Rate	\$/kWh	0.0104
Low Voltage Service Rate	\$/kWh	0.0013
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0021)
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014		
Applicable only for Non-RPP Customers	\$/kWh	0.0014
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0056
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Cooperative Hydro Embrun Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0164

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	1.59
Distribution Volumetric Rate	\$/kW	6.4834
Low Voltage Service Rate	\$/kW	0.3694
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.7349)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6886
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3149

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Cooperative Hydro Embrun Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

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EB-2011-0164

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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Cooperative Hydro Embrun Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0164

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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Customer Administration

Arrears Certificate	\$	15.00
Statement of Account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Income tax letter	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	25.00
Returned cheques charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	15.00
Special meter reads	\$	20.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	20.00
Collection of account charge – no disconnection – after regular hours	\$	50.00
Disconnect/Reconnect Charge - At Meter during Regular Hours	\$	25.00
Disconnect/Reconnect Charge - At Meter after Regular Hours	\$	50.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00

Install/Remove load control device – during regular hours	\$	25.00
Install/Remove load control device – after regular hours	\$	50.00
Service call – customer owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary service installation and removal – overhead – no transformer	\$	500.00
Temporary service installation and removal – underground – no transformer	\$	300.00
Temporary service installation and removal – overhead – with transformer	\$	1,000.00
Specific charge for access to power poles \$/pole/year	\$	22.35

Cooperative Hydro Embrun Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0164

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0579
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0473
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A