



EB-2011-0185

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 Niagara
Peninsula Energy 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

Niagara Peninsula Energy Inc. (“NPEI”), 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 NPEI charges for electricity distribution, to be effective May 1, 2012.

NPEI 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, NPEI 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 NPEI's rate application was given through newspaper publication in NPEI'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 NPEI's request for revenue-cost ratio adjustments and the disposition of Account 1562 (Deferred Payments in Lieu of Taxes). The Vulnerable Energy Consumers Coalition ("VECC") applied and were granted intervenor status in this proceeding. The Board also granted VECC eligibility for cost awards in regards to revenue-to-cost ratio adjustments that go beyond the implementation of previous Board's decisions. Board staff also participated in the proceeding. The Board proceeded by way of a written hearing.

By letter dated November 22, 2011, the Board determined that NPEI's request for the disposition of Account 1562 is not consistent with the various decisions made in the course of the Combined PILS proceeding.¹ 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 NPEI 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
- Revenue-to-Cost Ratio Adjustments.

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 NPEI efficiency cohort 2 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 draft Tariff of Rates and Charges flowing from this Decision and Order 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 - 2012 Uniform Transmission Rates

| 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.

NPEI completed the shared tax savings filing module and calculated an incremental tax savings of \$221,943 of which \$110,971 (50%) to be shared with its customers. NPEI is proposing to refund these tax savings to customers through one year rate riders.

The Board approves the disposition of the shared tax savings of \$110,971 over a one year period (i.e. May 1, 2012 to April 30, 2013) and the associated rate riders for all customer rate classes.

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.

NPEI's 2010 actual year-end total balance for Group 1 Accounts including interest projected to April 30, 2012 is a credit of \$3,266,677. NPEI proposed to dispose of the balances over a four-year period.

In its submission, Board staff noted that the principal amounts to be disposed as of December 31, 2010 reconcile with the amounts reported as part of the *Reporting and Record-keeping Requirements* ("RRR"). Board staff submitted that the amounts should be disposed on a final basis.

With respect to the disposition period, Board staff submitted that the application 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 NPEI's Group 1 account balances.

NPEI did not file a reply submission.

The Board approves, on a final basis, the disposition of a credit balance of \$3,266,677 as of December 31, 2010, including interest as of April 30, 2012. The Board also finds that a two-year disposition period represents a better balance between reducing intergenerational inequity and mitigating rate volatility than the four-year disposition period sought by NPEI.

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 | -426,306 | -8,350 | -434,656 |
| RSVA - Wholesale Market Service Charge | 1580 | -1,381,169 | -26,979 | -1,408,148 |
| RSVA - Retail Transmission Network Charge | 1584 | 1,029,182 | 20,116 | 1,049,298 |
| RSVA - Retail Transmission Connection Charge | 1586 | -872,519 | -16,987 | -889,506 |
| RSVA - Power (excluding Global Adjustment) | 1588 | -892,061 | -17,497 | -909,558 |
| RSVA - Power – Global Adjustment Sub-Account | 1588 | -661,176 | -12,930 | -674,106 |
| Recovery of Regulatory Asset Balances | 1590 | | | |
| Disposition and Recovery of Regulatory Balances (2008) | 1595 | | | - |
| Disposition and Recovery of Regulatory Balances (2009) | 1595 | | | - |
| Group 1 Total | | | | -\$3,266,677 |

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 were 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 set out 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.

NPEI requested the disposition of a residual credit balance of \$52,260 as at December 31, 2010, plus collections in 2011 and carrying costs until April 30, 2012 over a one year period.

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 submitted that the \$52,260 credit balance in Account 1521 should be approved for disposition on a final basis.

The Board approves, on a final basis, NPEI’s request for the disposition of the principal and interest balances in Account 1521 totaling \$52,260 (credit balance). Consistent with the approved disposition period for Group 1 Accounts, the Board approves a disposition period of two years. The Board directs NPEI to close Account 1521 as of 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.

Revenue-to-Cost Ratio Adjustments

Revenue-to-cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs allocated to that class. The Board has established target ratio ranges (the “Target Ranges”) for Ontario electricity distributors in its report *Application of Cost Allocation for Electricity Distributors*, dated November 28, 2007 and in its updated report *Review of Electricity Distribution Cost Allocation Policy*, dated March 31, 2011.

Pursuant to the Board’s decision in NPEI’s 2011 cost of service application (EB-2010-0138), NPEI proposed to increase the revenue-to-cost ratio for the Sentinel Lighting and Street Lighting rate classes mid-way to the bottom of the Board’s target range of 70%. These additional revenues would reduce the revenue-to-cost ratio for the General Service 50 to 4,999 kW rate class.

The table below outlines the proposed revenue-to-cost ratios.

Table 3

| Rate Class | Current 2011 Ratio | Proposed 2012 Ratio | Target Range ² |
|---------------------------------|--------------------|---------------------|---------------------------|
| Residential | 85.0% | 85.0% | 85% – 115% |
| General Service Less Than 50 kW | 109.1% | 109.1% | 80% – 120% |
| General Service 50 to 4,999 kW | 148.0% | 147.0% | 80% – 120% |
| Street Lighting | 48.1% | 58.9% | 70% – 120% |
| Sentinel Lighting | 38.7% | 54.1% | 80% – 120% |
| Unmetered Scattered Load | 101.5% | 101.5% | 80% – 120% |

VECC and Board staff submitted that the proposed revenue-to-cost ratio adjustments were in accordance with the Board's decision in NPEI's 2011 cost of service proceeding.

The Board agrees that the proposed revenue to cost ratios are consistent with the Board's decision in the EB-2010-0138 proceeding and therefore approves the revenue to cost ratios as filed.

Rate Model

With this Decision, the Board is providing NPEI 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. NPEI's new distribution rates shall be effective May 1, 2012.
2. NPEI shall review the draft Tariff of Rates and Charges set out in Appendix A. NPEI 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 NPEI 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 Decision and 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. NPEI 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 NPEI to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the

² EB-2010-0219, Report of the Board - Review of Electricity Distribution Cost Allocation Policy, p.26

Board will consider the submission of NPEI 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 its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. NPEI 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 NPEI any responses to any objections for cost claims within **28 days** from the date of issuance of the final Rate Order.
4. NPEI 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-2011-0185**, 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-2011-0185
DATED: March 22, 2012

Niagara Peninsula Energy 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-2011-0185

RESIDENTIAL SERVICE CLASSIFICATION

Niagara Falls Hydro Inc. Service Area

This class pertains to customers residing in detached, semi-detached or duplex dwelling units, where energy is supplied single-phase, 3 wire, 60 hertz, having a nominal voltage of 120/240 volts. Large residential services will include all services from 201 amp. up to and including 400 amp., 120/240 volt, single phase, three wire. 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 | \$ | 15.76 |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until May 31, 2012 | \$ | 0.17 |
| Distribution Volumetric Rate | \$/kWh | 0.0158 |
| Low Voltage Service Rate | \$/kWh | 0.0005 |
| Rate Rider for Tax Adjustments – effective until April 30, 2013 | \$/kWh | (0.0001) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 | \$/kWh | (0.0019) |
| Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kWh | (0.0005) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0066 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0045 |

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 |

Niagara Peninsula Energy 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-2011-0185

RESIDENTIAL SERVICE CLASSIFICATION

Peninsula West Utilities Limited Service Area

One residential service per lot, per customer. Standard residential services will include all services up to and including 200 amp, 120/240 volt, single phase, three wire. Large residential services will include all services from 201 amp. up to and including 400 amp., 120/240 volt, single phase, three wire. 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 | \$ | 15.76 |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until May 31, 2012 | \$ | 0.16 |
| Distribution Volumetric Rate | \$/kWh | 0.0158 |
| Low Voltage Service Rate | \$/kWh | 0.0005 |
| Rate Rider for Tax Adjustments – effective until April 30, 2013 | \$/kWh | (0.0001) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 | \$/kWh | (0.0001) |
| Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kWh | (0.0005) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0066 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0045 |

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 |

Niagara Peninsula Energy 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-2011-0185

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

Niagara Falls Hydro Inc. Service Area

This class pertains to non-residential customers taking electricity at 750 volts or less whose monthly average peak 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 | \$ | 37.09 |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until May 31, 2012 | \$ | 0.46 |
| Distribution Volumetric Rate | \$/kWh | 0.0135 |
| Low Voltage Service Rate | \$/kWh | 0.0004 |
| Rate Rider for Tax Adjustments – effective until April 30, 2013 | \$/kWh | (0.0001) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 | \$/kWh | (0.0017) |
| Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kWh | (0.0005) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0060 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0040 |

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 |

Niagara Peninsula Energy 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-2011-0185

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

Peninsula West Utilities Limited Service Area

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 | \$ | 37.09 |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until May 31, 2012 | \$ | 0.34 |
| Distribution Volumetric Rate | \$/kWh | 0.0135 |
| Low Voltage Service Rate | \$/kWh | 0.0004 |
| Rate Rider for Tax Adjustments – effective until April 30, 2013 | \$/kWh | (0.0001) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 | \$/kWh | (0.0001) |
| Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kWh | (0.0005) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0060 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0040 |

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 |

Niagara Peninsula Energy 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-2011-0185

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

Niagara Falls Hydro Inc. Service Area

This classification refers to a non residential account whose monthly average peak demand 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 | \$ | 177.40 |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until May 31, 2012 | \$ | 5.14 |
| Distribution Volumetric Rate | \$/kW | 4.1887 |
| Low Voltage Service Rate | \$/kW | 0.1592 |
| Rate Rider for Tax Adjustments – effective until April 30, 2013 | \$/kW | (0.0195) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 | \$/kW | (0.3620) |
| Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 | \$/kW | (0.1840) |
| Applicable only for Non-RPP Customers | | |
| Retail Transmission Rate – Network Service Rate | \$/kW | 2.4835 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.5756 |

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 |

Niagara Peninsula Energy 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-2011-0185

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

Peninsula West Utilities Limited Service Area

This classification refers to a non residential account whose monthly average peak demand 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.

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MONTHLY RATES AND CHARGES – Delivery Component

| | | |
|---|-------|----------|
| Service Charge | \$ | 177.40 |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until May 31, 2012 | \$ | 6.45 |
| Distribution Volumetric Rate | \$/kW | 4.1887 |
| Low Voltage Service Rate | \$/kW | 0.1592 |
| Rate Rider for Tax Adjustments – effective until April 30, 2013 | \$/kW | (0.0195) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 | \$/kW | (0.0822) |
| Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kW | (0.1840) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 2.4835 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.5756 |

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 |

Niagara Peninsula Energy Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0185

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

Niagara Falls Hydro Inc. Service Area

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power pack, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electricity demand/consumption of the proposed unmetered load. 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) | \$ | 19.17 |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until May 31, 2012 | \$ | 0.18 |
| Distribution Volumetric Rate | \$/kWh | 0.0134 |
| Low Voltage Service Rate | \$/kWh | 0.0004 |
| Rate Rider for Tax Adjustments – effective until April 30, 2013 | \$/kWh | (0.0002) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 | \$/kWh | (0.0034) |
| Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kWh | (0.0005) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0060 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0040 |

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 |

Niagara Peninsula Energy Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0185

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

Peninsula West Utilities Limited Service Area

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power pack, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electricity demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES – Delivery Component

| | | |
|---|--------|----------|
| Service Charge (per connection) | \$ | 19.17 |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until May 31, 2012 | \$ | 0.10 |
| Distribution Volumetric Rate | \$/kWh | 0.0134 |
| Low Voltage Service Rate | \$/kWh | 0.0004 |
| Rate Rider for Tax Adjustments – effective until April 30, 2013 | \$/kWh | (0.0002) |
| Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kWh | (0.0005) |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0060 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0040 |

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 |

Niagara Peninsula Energy 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-2011-0185

SENTINEL LIGHTING SERVICE CLASSIFICATION

Niagara Falls Hydro Inc. Service Area

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. 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) | \$ | 9.76 |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until May 31, 2012 | \$ | 0.01 |
| Distribution Volumetric Rate | \$/kW | 12.1787 |
| Low Voltage Service Rate | \$/kW | 0.1330 |
| Rate Rider for Tax Adjustments – effective until April 30, 2013 | \$/kW | (0.2470) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 | \$/kW | (0.7135) |
| Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kW | (0.1928) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.8387 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.3166 |

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 |

Niagara Peninsula Energy 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-2011-0185

SENTINEL LIGHTING SERVICE CLASSIFICATION

Peninsula West Utilities Limited Service Area

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. 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) | \$ | 9.76 |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until May 31, 2012 | \$ | 0.01 |
| Distribution Volumetric Rate | \$/kW | 12.1787 |
| Low Voltage Service Rate | \$/kW | 0.1330 |
| Rate Rider for Tax Adjustments – effective until April 30, 2013 | \$/kW | (0.2470) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 | \$/kW | (0.0191) |
| Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 Applicable only for Non-RPP Customers | \$/kW | (0.1928) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.8387 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.3166 |

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 |

Niagara Peninsula Energy 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-2011-0185

STREET LIGHTING SERVICE CLASSIFICATION

Niagara Falls Hydro Inc. Service Area

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. Street lighting profile is derived through the use of a "virtual streetlight meter" that uses a street light control eye, consistent with the model type and product manufacturer of devices currently in service in the Applicant's distribution area, to simulate the exact daily conditions that the typical street light is exposed to. This simulated street light load is captured using an interval metering device, and is processed as part of the distributor's daily interval meter interrogation, validation and processing procedures. 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) | \$ | 0.94 |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until May 31, 2012 | \$ | 0.00 |
| Distribution Volumetric Rate | \$/kW | 3.6880 |
| Low Voltage Service Rate | \$/kW | 0.1223 |
| Rate Rider for Tax Adjustments – effective until April 30, 2013 | \$/kW | (0.0324) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 | \$/kW | (0.3656) |
| Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kW | (0.1979) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.8775 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.2105 |

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 |

Niagara Peninsula Energy 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-2011-0185

STREET LIGHTING SERVICE CLASSIFICATION

Peninsula West Utilities Limited Service Area

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. Street lighting profile is derived through the use of a "virtual streetlight meter" that uses a street light control eye, consistent with the model type and product manufacturer of devices currently in service in the Applicant's distribution area, to simulate the exact daily conditions that the typical street light is exposed to. This simulated street light load is captured using an interval metering device, and is processed as part of the distributor's daily interval meter interrogation, validation and processing procedures. 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.

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MONTHLY RATES AND CHARGES – Delivery Component

| | | |
|---|-------|----------|
| Service Charge (per connection) | \$ | 0.94 |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until May 31, 2012 | \$ | 0.00 |
| Distribution Volumetric Rate | \$/kW | 3.6880 |
| Low Voltage Service Rate | \$/kW | 0.1223 |
| Rate Rider for Tax Adjustments – effective until April 30, 2013 | \$/kW | (0.0324) |
| Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014 | \$/kW | (0.1254) |
| Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 | | |
| Applicable only for Non-RPP Customers | \$/kW | (0.1979) |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.8775 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.2105 |

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 |

**Niagara Peninsula Energy 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-2011-0185

**microFIT GENERATOR SERVICE CLASSIFICATION
Niagara Falls Hydro Inc. Service Area and Peninsula West Utilities
Limited Service Area**

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 |
|----------------|----|------|

Niagara Peninsula Energy Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0185

ALLOWANCES

Niagara Falls Hydro Inc. Service Area and Peninsula West Utilities Limited Service Area

| | | |
|---|-------|--------|
| 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

Niagara Falls Hydro Inc. Service Area and Peninsula West Utilities Limited Service Area

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 | | |
| Returned cheque (plus bank charges) | \$ | 20.00 |
| Legal letter charge | \$ | 15.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 30.00 |
| 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 | \$ | 30.00 |
| Collection of account charge – no disconnection – after regular hours | \$ | 165.00 |
| Disconnect/Reconnect at meter – during regular hours | \$ | 65.00 |
| Disconnect/Reconnect at meter – after regular hours | \$ | 185.00 |
| 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 | \$ | 65.00 |
| Install/Remove load control device – after regular hours | \$ | 185.00 |
| Service call – customer owned equipment | \$ | 30.00 |
| Service call – after regular hours | \$ | 165.00 |
| Temporary service install & remove – overhead – no transformer | \$ | 500.00 |
| Temporary service install & remove – underground – no transformer | \$ | 300.00 |
| Temporary service install & remove – overhead – with transformer | \$ | 1,000.00 |
| Specific Charge for Access to the Power Poles (\$/pole/year) | \$ | 22.35 |

Niagara Peninsula Energy Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0185

RETAIL SERVICE CHARGES (if applicable)

Niagara Falls Hydro Inc. Service Area and Peninsula West Utilities Limited Service Area

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.

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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

Niagara Falls Hydro Inc. Service Area and Peninsula West Utilities Limited Service Area

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 | 1.0560 |
| Total Loss Factor – Secondary Metered Customer > 5,000 kW | N/A |
| Total Loss Factor – Primary Metered Customer < 5,000 kW | 1.0454 |
| Total Loss Factor – Primary Metered Customer > 5,000 kW | N/A |