



EB-2011-0203

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 West Coast
Huron 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

West Coast Huron Energy Inc. ("WCH"), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the "Board") on October 28, 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 WCH charges for electricity distribution, to be effective May 1, 2012.

WCH 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 mechanism ("IRM") (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 IRM

plan until such time as the RRFE policy initiatives have been substantially completed. As part of the plan, WCH 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 IR Report, its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008 (the "Supplemental Report"), 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 application filing requirements for IRM applications based on the policies in the Reports.

Notice of WCH's rate application was given through newspaper publication in WCH'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 WCH's proposed revenue-to-cost ratio adjustments, request to recover the costs of a dedicated line extension, and proposal for lost revenue adjustment mechanism ("LRAM") recovery. The Vulnerable Energy Consumers Coalition ("VECC") applied for intervenor status and cost award eligibility in this proceeding. The Board grants VECC intervenor status and eligibility for cost awards in regards to WCH's request for LRAM recovery, the recovery of costs for a dedicated line extension, and revenue-to-cost ratio matters 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.

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 Charge;
- Revenue-to-Cost Ratio Adjustments;
- Shared Tax Savings Adjustments;
- Retail Transmission Service Rates;
- Review and Disposition of Group 1 Deferral and Variance Account Balances;
- Review and Disposition of Account 1521: Special Purpose Charge;
- Review and Disposition of Lost Revenue Adjustment Mechanism;
- Review and Disposition of Account 1562: Deferred Payments In Lieu of Taxes;
and
- Incremental Capital Module (“ICM”).

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 WCH to 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 Charge

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.

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.

In the Board’s decision in WCH’s 2009 cost of service application (EB-2008-0248), WCH was directed to adjust its revenue-to-cost ratio for the Large User customer rate class in two equal increments in the following two years to reach 85%, which is the lower boundary of the Board’s target. WCH noted that this process was not completed in the 2011 rate year and proposed to complete the phase-in as part of the present application. Consequently, WCH proposes to increase the revenue-to-cost ratio for the Large User customer rate classes to 85% as part of the 2012 IRM process.

The additional revenues from these adjustments would be used to reduce the revenue-to-cost ratio for the GS 50 to 499 kW and the GS 500 to 4,999 kW customer rate classes.

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

Rate Class	Current 2011 Ratio	Proposed 2012 Ratio	Target Range
Residential	92.37	92.37	85 – 115
General Service Less Than 50 kW	91.09	91.09	80 – 120
General Service 50 to 999 kW	175.11	170.70	80 – 180
General Service 1,000 to 4,999 kW	164.68	160.27	80 – 180
Large User	80.00	85.00	85 – 115
Street Lighting	82.62	82.62	70 – 120
Sentinel Lighting	72.29	72.29	70 – 120
Unmetered Scattered Load	96.74	96.74	80 – 120

Board staff submitted that the proposed revenue-to-cost ratio adjustments are in accordance with the Board's decision in WCH's 2009 cost of service proceeding.

The Board approves the adjustments to the revenue-to-cost ratios as proposed since they are consistent with the Board's findings in EB-2008-0248 and were not completed as part of the 2011 IRM.

Shared Tax Savings Adjustments

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.

WCH's application identified a total tax savings of \$3,128 resulting in a shared amount of \$1,564 to be refunded to ratepayers.

WCH requested that the Board authorize that the entire tax-savings amount be recorded in a USoA account as the calculated rate riders for one or more classes results in energy based kWh rate riders of \$0.0000 when rounded to the fourth decimal.

The Board approves the shared tax savings of \$1,564. Given that the calculated rate riders are not material, the Board directs WCH to record the credit balance in Account 1595 for future disposition.

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:

2012 Uniform Transmission Rates

Network Service Rate	\$3.57 per kW
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.80 per kW
Transformation Connection Service Rate	\$1.86 per kW

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

Review and Disposition of Group 1 Deferral and Variance Account Balances

The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report Initiative* (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.

WCH requested a temporary exemption from filing for disposition of Group 1 Accounts as part of this proceeding. WCH indicated that a tornado struck the Town of Goderich on August 21, 2011 and WCH was operating under emergency measures rebuilding its core system. WCH submitted that its normal accounting functions were impaired by the tornado and accounting staff were unable to attend to reconcile these accounts at this time.

Due to the disruption of WCH's accounting functions by causes beyond its control, the Board finds that it is appropriate to defer the disposition of the Group 1 balances to WCH's 2013 COS application.

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 sets 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.

In the Manager's Summary of its application, WCH indicated a debit balance of \$4,419 in Account 1521 comprising principal and interest as of April 30, 2012. WCH noted that the calculated rate riders for one or more classes results in a kWh rate rider of $\$(0.0000)$ when rounded to the fourth decimal place. For that reason, WCH requested to defer the disposition of the residual debit balance of \$4,419 in Account 1521 until a future rate proceeding.

Board staff submitted that despite the usual practice, the Board should authorize the disposition of Account 1521 as of December 31, 2010, including carrying charges, plus the amount recovered from customers in 2011, including carrying charges, 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 noted that Appendix C of Chapter 3 of the *Filing Requirements for Transmission and Distribution Applications* states that in the event where the calculation of one of more rate classes' rate adder or rate riders results in energy-based kWh rate riders of $\$(0.0000)$ when rounded to the fourth decimal place and demand-based KW rate riders of $\$(0.00)$ when rounded to the second decimal place, or are negligible, the entire Board-approved amount for recovery or refund should be recorded in a USoA account to be determined by the Board for disposition in a future rate setting. Board staff submitted that the Board should approve the balances for recovery and order that WCH record it in Account 1595 for future disposition.

In its reply submission, WCH agreed with Board staff.

The Board approves on a final basis the disposition of a debit balance in account 1521 of \$4,419, representing principal as of December 31, 2010, plus the amount recovered from customers in 2011 and carrying charges to April 30, 2012. Given that the calculated rate riders are not material, the Board directs WCH to record the debit

balance in Account 1595 for future disposition. The Board directs that Account 1521 be closed 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 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 is effective in rates, which generally is the start of the rate year (e.g. May 1). This entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (3rd Quarter) RRR data reported.

Review and Disposition of Lost Revenue Adjustment Mechanism (“LRAM”)

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.

WCH requested the recovery of an LRAM claim of \$117,811 over a one-year period. In response to interrogatories from Board staff and intervenors, WCH updated its LRAM claim to \$117,866 to reflect the Ontario Power Authority’s (“OPA”) 2010 final results. WCH’s LRAM claim consists of the effect of 2006 to 2010 programs persisting until April 30, 2012.

In its submission, Board staff noted that WCH’s rates were last rebased in 2009. Board staff noted that in its Decision and Order on Hydro One Brampton’s 2012 IRM application (EB-2011-0174), the Board disallowed LRAM claims for the rebasing year as well as persistence of prior year programs in and beyond the test year on the basis that these savings should have been incorporated into the applicant’s load forecast at the time of rebasing.

Board staff noted that in cases in which it was clear in the application or settlement agreement that an adjustment for CDM was not being incorporated into the load forecast specifically because of an expectation that an LRAM application would address the issue, and if this approach was accepted by the Board, then Board staff would agree that an LRAM application is appropriate. Board staff requested that WCH highlight in its

reply submission whether the issue of an LRAM application was addressed in their cost of service application.

Board staff submitted that in the absence of the above information, it does not support the requested 2009 recovery of lost revenues from 2009 CDM programs or the persisting lost revenues from 2006, 2007, 2008 and 2009 CDM programs in 2009, 2010, 2011 or 2012 since these should have been reflected in WCH's 2009 load forecast when it was last rebased. Board staff also submitted that it is premature to consider any lost revenue from 2010 programs persisting from January 1, 2011 to April 30, 2012. Board staff also submitted that it supported the recovery of persisting lost revenues for 2006, 2007, 2008 and 2010 CDM programs, including the persisting lost revenues from 2006 programs in 2007 and 2008, and the persisting lost revenues from 2007 programs in 2008 since WCH was under IRM during that period.

VECC submitted that the LRAM claim from CDM programs deployed between 2006 and 2009 are not accruable from 2009 through April 30, 2012 as these savings should have been incorporated in the 2009 load forecast at the time of rebasing. VECC argued that in the absence of OPA input assumptions and verified final results for 2011 and 2012, the LRAM claim for 2010 CDM programs in 2011 and 2012 is premature and should only cover the period from January 1, 2010 to December 31, 2010. VECC supported the approval of the LRAM claim related to the impact of CDM programs implemented in 2006 to 2008 for the years 2006 to 2008 as WCH did not collect this revenue while under IRM in the years prior to rebasing. VECC also supported the approval of lost revenue in 2010 for CDM Programs implemented in 2010 as this amount has not been recovered. VECC submitted that the LRAM claim approved by the Board should be adjusted to include lost revenue for the years 2006, 2007, 2008 and 2010 resulting from the impact of CDM programs implemented in 2006, 2007, 2008 and 2010.

In its reply submission, WCH agreed with Board staff and VECC that the LRAM claims for 2011 and 2012 are premature and withdrew the associated amounts from the application. The revised LRAM claim is \$78,729.52.

The Board approves an LRAM claim of \$78,729.52 over a one-year recovery period, from May 1, 2012 to April 30, 2013, representing: (i) the lost revenue associated with CDM programs delivered in 2006, 2007, 2008 and 2010, including persisting lost revenues from 2006 programs in 2007 and 2008, and the persisting lost revenues from 2007 programs in 2008. The Board notes that WCH was under IRM during these years

and has not otherwise been compensated for lost revenues from these programs and that the claim is consistent with the 2008 CDM Guidelines; and (ii) lost revenues from 2009 CDM programs in 2009, persisting lost revenues from 2006, 2007, and 2008 programs in 2009, and persisting lost revenues from 2006, 2007, 2008, and 2009 programs in 2010. The Board notes that lost revenues are only accruable until new rates (based on a new revenue requirement and load forecast) are set by the Board, as the savings would be assumed to be incorporated in the load forecast at that time. In the decision of the Board in WCH's 2009 CoS application, EB-2008-0248, the Board specifically acknowledged that the load forecast for the 2009 test year did not include CDM effects. The Board stated that, "[w]hile the Board notes that customer count may be overestimated and the absence of broader economic and CDM effects..."¹ As such, the Board is of the view that it is appropriate to diverge from the 2008 Guideline.

Review and Disposition of Account 1562: Deferred Payments in Lieu of Taxes

In 2001, the Board approved a regulatory payments in lieu of taxes proxy approach for rate applications coupled with a true-up mechanism filed under the RRR to account for changes in tax legislation and rules and to true-up between certain proxy amounts used to set rates and the actual amount of taxes paid. The variances resulting from the true-up were tracked in Account 1562 for the period 2001 through April 30, 2006.

On November 28, 2008, pursuant to sections 78, 19 (4) and 21 (5) of the *Ontario Energy Board Act, 1998*, the Board commenced a Combined Proceeding (EB-2008-0381) on its own motion to determine the accuracy of the final account balances with respect to Account 1562 Deferred Payments in Lieu of Taxes ("Deferred PILs") (for the period October 1, 2001 to April 30, 2006) for certain electricity distributors that filed 2008 and 2009 distribution rate applications.

The Notice in the Combined Proceeding included a statement of the Board's expectation that the decision resulting from the Combined Proceeding would be used to determine the final account balances with respect to Account 1562 Deferred PILs for the remaining distributors. In its decision and order, the Board stated that, "[e]ach remaining distributor will be expected to apply for final disposition of Account 1562 with its next general rates application (either IRM or cost of service)."²

¹ EB-2008-0248, p.6

² EB-2008-0381 Account 1562 Deferred PILs Combined Proceeding, Decision and Order, p. 28

WCH requested an exemption from filing for the disposition of Account 1562, and stated that it is operating under emergency measures rebuilding its core system due to the tornado that struck the Town of Goderich. WCH submitted that its normal accounting functions have been impaired by the tornado and accounting staff are unable to attend to reconcile these accounts at this time.

Due to the disruption in WCH's accounting functions, the Board finds that it is appropriate to defer the disposition of WCH's Account 1562 balances to its 2013 COS application.

Incremental Capital Module ("ICM")

WCH proposed to recover, through an ICM, the incremental capital costs of \$2,800,000 associated with the construction of a dedicated line reaching its single large user (Sifto). This capital expenditure includes approximately \$1.0M to be paid to Hydro One Networks Inc. for costs associated with the new breaker position required for this project and incremental costs of approximately \$1.8M for the line upgrade.

In response to Board staff interrogatory No. 11 (d), WCH indicated that it recently entered into an agreement whereby Sifto will contribute 100% of the cost for the proposed breaker (\$1.0M) and upgrade to the line (\$1.8M) to accommodate their future load. For this reason, West Coast Huron proposed to withdraw the capital component of its 2012 IRM application. Board staff noted that the capital contribution is compliant with the Distribution System Code 3.2.4 and supported WCH's proposal to withdraw the ICM component for the amount of \$2,800,000 from the application.

Similarly, VECC agreed with WCH's request and submitted that this request should be approved by the Board.

The Board accepts WCH's request to withdraw its application for an ICM from its IRM application for 2012 rates.

Rate Model

With this Decision, the Board is providing WCH 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. WCH's new distribution rates shall be effective May 1, 2012.
2. WCH shall review the draft Tariff of Rates and Charges set out in Appendix A. WCH 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 WCH 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. WCH 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 WCH 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 WCH 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. WCH 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 WCH any responses to any objections for cost claims within **28 days** from the date of issuance of the final Rate Order.
4. WCH 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-2011-0203**, 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 2 paper copies.

DATED at Toronto, April 4, 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-2011-0203
DATED: April 4, 2012

West Coast Huron 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-2011-0203

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. 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	\$	14.20
Distribution Volumetric Rate	\$/kWh	0.0184
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until April 30, 2013	\$/kWh	0.0014
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

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

West Coast Huron 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-2011-0203

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to the supply of electrical energy to General Service Buildings requiring a connection with a connected load less than 50 kW and, Town Houses and Condominiums described in section 3.1.8 of the distributor's Conditions of Service that require centralized bulk metering. General Service Buildings are defined as buildings that are used for purposes other than single family dwellings. 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	\$	33.72
Distribution Volumetric Rate	\$/kWh	0.0116
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until April 30, 2013	\$/kWh	0.0023
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0058
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

West Coast Huron 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-2011-0203

GENERAL SERVICE 50 to 499 kW SERVICE CLASSIFICATION

This classification applies to the supply of electrical energy to General Service Customers requiring a connection with a connected load, whose average monthly maximum demand used, for billing purposes, is, or is forecast to be, equal to or greater than 50 kW but less than 500 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	\$	396.04
Distribution Volumetric Rate	\$/kW	1.7594
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until April 30, 2013	\$/kW	0.0760
Retail Transmission Rate – Network Service Rate	\$/kW	2.3120
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8004

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

West Coast Huron 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-2011-0203

GENERAL SERVICE 500 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to the supply of electrical energy to General Service Customers requiring a connection with a connected load, whose average monthly maximum demand used, for billing purposes, is, or is forecast to be, equal to or greater than 500 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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	2,974.29
Distribution Volumetric Rate	\$/kW	1.5123
Retail Transmission Rate – Network Service Rate	\$/kW	2.4556
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9738

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

West Coast Huron 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-2011-0203

LARGE USE SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load or 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, 5,000 kW. 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	\$	9509.57
Distribution Volumetric Rate	\$/kW	1.2431
Retail Transmission Rate – Network Service Rate	\$/kW	2.7192
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.2569

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

West Coast Huron Energy Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0203

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak 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, decorative street lighting, billboards, etc. The level of consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of unmetered load or periodic monitoring of actual consumption. 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)	\$	33.73
Distribution Volumetric Rate	\$/kWh	0.0299
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0058
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

West Coast Huron Energy Inc.
TARIFF OF RATES AND CHARGES
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EB-2011-0203

SENTINEL LIGHTING SERVICE CLASSIFICATION

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

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	5.69
Distribution Volumetric Rate	\$/kW	10.8387
Retail Transmission Rate – Network Service Rate	\$/kW	1.7527
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4208

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

West Coast Huron Energy Inc.

TARIFF OF RATES AND CHARGES

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EB-2011-0203

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 connection load times the required lighting times established in the approved OEB street lighting load shape template. Street Lighting plant, facilities or equipment owned by the customer are subject to the ESA requirements. 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)	\$	1.97
Distribution Volumetric Rate	\$/kW	10.7843
Retail Transmission Rate – Network Service Rate	\$/kW	1.7437
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4208

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

West Coast Huron Energy Inc.
TARIFF OF RATES AND CHARGES
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EB-2011-0203

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

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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West Coast Huron Energy Inc.

TARIFF OF RATES AND CHARGES

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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

Note – specific charges for each distributor

APPLICATION

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Customer Administration		
Arrears certificate	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	15.00
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
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
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35

West Coast Huron Energy Inc.

TARIFF OF RATES AND CHARGES

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RETAIL SERVICE CHARGES (if applicable)

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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	1.0467
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0362
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045