



EB-2011-0192

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 Ottawa River Power Corp. 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

Ottawa River Power Corp. ("Ottawa River"), 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 Ottawa River charges for electricity distribution, to be effective May 1, 2012.

Ottawa River 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, Ottawa River 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 Ottawa River's rate application was given through newspaper publication in Ottawa River'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 Ottawa River's proposed revenue-to-cost ratio adjustments and its request to dispose of balances in account 1562. The Vulnerable Energy Consumers Coalition ("VECC") applied and was granted intervenor status in this proceeding. The Board granted VECC eligibility for cost awards in regards to Ottawa River's request for any revenue-to-cost ratio matters that go beyond the implementation of previous Board decisions. VECC did not submit interrogatories or submissions during the proceeding. 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; and
- Review and Disposition of Account 1562: Deferred Payments In Lieu of Taxes.

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 Ottawa River 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.

Pursuant to the Board’s decision in the Ottawa River’s 2010 cost of service application (EB-2009-0165), Ottawa River proposed to increase the revenue-to-cost ratio for the Street Lighting rate class from 50% to 70%. The additional revenues from these adjustments would be used to reduce the revenue-to-cost ratio for the Residential rate class.

In Ottawa River’s 2010 cost of service Decision, to Board ordered Ottawa River to complete the phase-in of the revenue-to-cost ratio transition over a two-year period. Ottawa River did not file an IRM application for 2011 rates. In the current application, Ottawa River proposed to complete the phase-in for revenue-to-cost ratio adjustments. Board staff submitted that Ottawa River should adjust the street lighting revenue-to-cost ratio from 50% to 60% to complete the first year of the Board prescribed transition in order to maintain the spirit of the Board’s cost of service decision regarding rate mitigation. In its reply submissions, Ottawa River agreed with Board staff.

The table below outlines the proposed revenue-to-cost ratios reflecting Board staff’s and

Ottawa River’s updated positions.

Rate Class	Current 2011 Ratio	Proposed 2012 Ratio	Target Range
Residential	1.09	1.08	85 – 115
General Service Less Than 50 kW	0.88	0.88	80 – 120
General Service 50 to 4,999 kW	1.03	1.03	80 – 180
Street Lighting	0.50	0.60	70 – 120
Sentinel Lighting	0.70	0.70	70 – 120
Unmetered Scattered Load	0.80	0.80	80 – 120

The Board approves the updated revenue to cost ratios. The Board directs Ottawa River to adjust the street lighting revenue-to-cost ratio from 50% to 60% to complete the first year phase of the Board’s prescribed two-year phase-in and rebalance to the residential class that was approved in the company’s last cost of service rate application (EB-2009-0165).

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.

Ottawa River’s application identified a total tax savings of \$7,194 resulting in a shared amount of \$3,597 to be refunded to rate payers. Ottawa River requested disposition of the shared tax savings amount to an account specified by the Board as the amount was immaterial.

Board staff noted that the calculated tax savings rate riders resulted in immaterial amounts for several rate classes. Board staff submitted that the Board should direct Ottawa River to record the \$3,597 credit in account 1595 for disposition in a future rate hearing.

The Board approves shared tax savings of a credit of \$3,597. Given that the resulting rate riders are not material, the Board directs Ottawa River to record the \$3,597 credit to customers in account 1595 for disposition in a future rate hearing.

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.

In response to Board staff interrogatory #4, Ottawa River noted that it pays transmission charges to Brookfield Energy Management Inc. (“Brookfield”). Under the terms of that contract, Ottawa River is charged transmission charges only when Brookfield is generating during a peak period of power consumption. Ottawa River used a modified version of the Board’s RTSR filing module where it provided the rates charged by

Brookfield in place of the standard UTR rates approved by the Board for Hydro One. Board staff had no concerns with the data supporting Ottawa River's RTSR filing module.

In the Decision and Order from Ottawa River's 2010 cost of service application (EB-2009-0165), Ottawa River noted a trend that indicated it was over collecting Network Service and Connection Service transmission costs. Ottawa River noted that, as an embedded distributor, it pays Hydro One wholesale transmission rates. Ottawa River proposed adjustments to its RTSRs to align its retail transmission revenue with its wholesale transmission costs. The Board approved Ottawa River's proposal, as requested.

The Board finds that the RTSR filing module provided by Ottawa River in its current application calculates RTSRs in a manner that is consistent with the approach approved by the Board in Ottawa River's 2010 cost of service application. The Board approves the RTSRs as proposed.

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.

Ottawa River originally requested disposition of a 2010 actual year-end total credit balance of \$1,126,061 for Group 1 Accounts. The total balance included a \$101,477 debit balance in the Global Adjustment sub-account of account 1588. The amount resulted in a total credit claim of \$0.00517/kWh, which exceeded the preset disposition threshold. Ottawa River proposed to dispose of the balances in Group 1 Accounts, excluding the Global Adjustment sub-account of account 1588, over a four year period to smooth rate impacts for its customers and prevent rate shock when the rate rider is terminated. Ottawa River proposed to dispose of the \$101,477 debit balance in the Global Adjustment sub-account of account 1588 using variable rate riders with a one-year recovery period.

In its submission, Board staff requested confirmation whether or not the balances provided included carrying charges calculated to April 30, 2012. Ottawa River confirmed that it did not initially include carrying charges to April 30, 2012 in its application and provided updated balances including carrying charges to April 30, 2012. The updated total Group 1 Account balance, excluding the Global Adjustment sub-account of account 1588, is a credit of \$1,148,116.94. The updated Global Adjustment sub-account balance is a debit of \$103,467.28.

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*. Board staff submitted that the amounts should be disposed on a final basis. Board staff further submitted that Ottawa River's proposed disposition period was inconsistent with the guidelines outlined in the EDDVAR Report. Board staff submitted that the disposition period for the remaining Group 1 Accounts should be identical to the disposition period for the Global Adjustment sub-account. Board staff also submitted that a four-year disposition period would contribute to intergenerational inequity and suggested a two-year period to strike a balance between rate mitigation and reducing intergenerational inequity.

In its reply submission, Ottawa River noted that it currently has a credit Deferral and Variance Account disposition rate rider which has the potential to significantly increase delivery charges when it terminates on April 30, 2013 before any other adjustments are made. Ottawa River acknowledged the desire to reduce intergenerational inequity but maintained its original proposal for a four-year disposition of Group 1 Account balances.

The Board notes that the EDDVAR disposition threshold of \$0.001/kWh has been exceeded. The Board therefore approves the disposition on a final basis of all Group 1 Deferral and Variance accounts, including the Global Adjustment sub-account of account 1588, totaling a credit balance of \$1,044,649.66, representing principal as at December 31, 2010 and carrying charges to April 30, 2012, over a two year period, May 1, 2012 to April 30, 2014. The Board is of the view that a two year disposition more appropriately balances the issues of intergenerational equity and rate volatility than the four year alternative put forth by Ottawa River.

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

Account Name	Account Number	Principal Balance A	Interest Balance B	Total Claim C = A + B
LV Variance Account	1550	\$34,777	\$427	\$35,205
RSVA - Wholesale Market Service Charge	1580	-\$514,693	-\$22,100	-\$525,337
RSVA - Retail Transmission Network Charge	1584	\$84,209	\$2,766	\$86,975
RSVA - Retail Transmission Connection Charge	1586	-\$256,481	-\$4,467	-\$260,948
RSVA - Power (excluding Global Adjustment)	1588	-\$473,114	-\$10,898	-\$484,012
RSVA - Power – Global Adjustment Sub-Account	1588	\$101,545	\$1,922	\$103,467
Group 1 Total				-\$1,044,650

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 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 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, Ottawa River indicated a receivable balance of \$4,050 in Account 1521 as of April 30, 2012. Ottawa River requested to dispose of this balance as part of the Deferral and Variance Account rate rider, over a four-year term.

In response to Board staff interrogatory #6, Ottawa River provided a table identifying the principal balance of Account 1521 as of December 31, 2010, including the amount recovered from customers in 2011, plus projected carrying charges as of April 30, 2012. This total balance is a debit of \$6,252.

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 the disposition period of account 1521 should match what the Board decides for the disposition of Group 1 Accounts, excluding the Global Adjustment sub-account. In its reply submission, Ottawa River agreed with Board staff.

The Board approves the disposition on a final basis of a debit balance of \$6,252 in account 1521, representing principal and interest to April 30, 2012, over a two-year period, May 1, 2012 to April 30, 2014. The Board directs Ottawa River to close account 1521 effective May 1, 2012.

For accounting and reporting purposes, the balance of Account 1521 shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 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 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).”¹

Ottawa River applied to dispose of a credit balance in Account 1562 of \$76,634 through the Deferral and Variance Account rate rider over a four-year period. Through responses to Board staff interrogatories, Ottawa River filed revised evidence that supported a credit balance in Account 1562 of \$62,826.

In its submission, Board staff noted that Ottawa River applied the maximum tax rate in its 2004 SIMPIL model, even though it was eligible for the small business deduction. Ottawa River acknowledged that it should apply the small business deduction in 2004 but did not make the required corrections. Board staff noted that Ottawa River deducted interest income from the interest expense in its SIMIPIL models for 2002 through 2005. Board staff submitted that Ottawa River should use the higher interest expense in the SIMPIL models for the true-up calculations. Board staff requested Ottawa River re-file its SIMPIL models reflecting these changes.

¹ EB-2008-0381 Account 1562 Deferred PILs Combined Proceeding, Decision and Order, p. 28

In the Board's decisions for 2002, 2004 and 2005 the approved rates for Ottawa River's unmetered scattered load customer class ("USL") were identified as being the same as GS<50kW rates which have associated PILs rate slivers. Board staff noted that Ottawa River did not use the USL class billing determinants and associated PILs rate slivers in the calculations of recoveries from customers. Board staff submitted that Ottawa River should clearly explain whether it billed USL customers using Board approved rates and, if it did bill USL customers, to provide an explanation for why it has not disclosed the associated PILs dollar recoveries in its evidence.

Ottawa River agreed with Board staff that it should not apply the maximum tax rate in its 2004 SIMPIL model. Ottawa River agreed with Board staff that it should not deduct interest income from interest expense. Ottawa River filed amended SIMPIL models for 2002 through 2005 to reflect these changes. Ottawa River submitted that it did have USL customers from 2001 to 2006 and that it had included amounts billed to USL customers with the GS < 50 kW class. Ottawa River confirmed that it had disclosed all PILs dollar recoveries in its evidence. Ottawa River's evidence, filed in its reply submission, supported a total credit balance of \$121,204 in account 1562, including carrying charges calculated to April 30, 2012.

The Board approves the disposition of a credit balance of \$121,204 in account 1562 on a final basis, representing principal and interest to April 30, 2012. The Board approves a two year disposition period from May 1, 2012 to April 30, 2014.

For accounting and reporting purposes, the balance of Account 1562 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.

Rate Model

With this Decision, the Board is providing Ottawa River 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. Ottawa River's new distribution rates shall be effective May 1, 2012.
2. Ottawa River shall review the draft Tariff of Rates and Charges set out in Appendix A. Ottawa River 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 Ottawa River 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. Ottawa River 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 Ottawa River 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 Ottawa River and will issue a final Tariff of Rates and Charges.

Cost Awards

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

1. VECC shall submit their cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Ottawa River 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 Ottawa River any responses to any objections for cost claims within **28 days** from the date of issuance of the final Rate Order.
4. Ottawa River 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-2011-0192**, 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-2011-0192

DATED: April 4, 2012

Ottawa River Power Corporation

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-2011-0192

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 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	\$	10.93
Distribution Volumetric Rate	\$/kWh	0.0148
Low Voltage Service Rate	\$/kWh	0.0011
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kWh	0.0011
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kWh	(0.0197)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0033)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0051
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039

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

Ottawa River Power Corporation

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-2011-0192

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers 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 that require centralized bulk metering. General Service buildings are defined as buildings that are used for purposes other than single-family dwellings. A General Service building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 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	\$	22.61
Distribution Volumetric Rate	\$/kWh	0.0104
Low Voltage Service Rate	\$/kWh	0.0010
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kWh	0.0011
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kWh	(0.0067)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0032)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0035

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

Ottawa River Power Corporation

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-2011-0192

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load equal to or greater than 50 kW but less than 5,000kW. A General Service building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Depending upon the location of the building, primary supplies to transformers and customer owned Sub-Station will be one of the following as determined by the Distributor:

- 7,200/12,400 volts 3 phase 4 wire
- 44,000 volts 3 phase 3 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	\$	372.81
Distribution Volumetric Rate	\$/kW	0.6387
Low Voltage Service Rate	\$/kW	0.3954
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kW	0.3961
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(1.2203)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(1.1444)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9097
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3971

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

Ottawa River Power Corporation

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-2011-0192

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per customer)	\$	6.15
Distribution Volumetric Rate	\$/kWh	0.0020
Low Voltage Service Rate	\$/kWh	0.0010
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kWh	(0.0097)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0038)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0035

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

Ottawa River Power Corporation

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-2011-0192

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to privately owned roadway lighting controlled by photo cells. Consumption is based on calculated connected load times the required lighting hours. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	2.56
Distribution Volumetric Rate	\$/kW	7.7587
Low Voltage Service Rate	\$/kW	0.3121
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kW	0.3691
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(8.5016)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(1.1534)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4475
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1027

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

Ottawa River Power Corporation

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-2011-0192

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to municipal lighting, Ministry of Transportation operation controlled by photo cells. Consumption is as per OEB Street lighting load shape. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	1.84
Distribution Volumetric Rate	\$/kW	10.1285
Low Voltage Service Rate	\$/kW	0.3057
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kW	0.3725
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(0.8857)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(1.1256)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4401
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.0801

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

Ottawa River Power Corporation

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-2011-0192

microFIT GENERATOR SERVICE CLASSIFICATION

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

APPLICATION

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

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

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	\$	5.25
----------------	----	------

Ottawa River Power Corporation

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-2011-0192

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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.

Customer Administration		
Arrears Certificate	\$	15.00
Account History	\$	15.00
Returned Cheque Charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	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 Charges at meter - During Regular Hours	\$	65.00
Disconnect/Reconnect Charges at meter - After Hours	\$	185.00

Ottawa River Power Corporation

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-2011-0192

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

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.

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	1.0390
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0286