



EB-2011-0194

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
Peterborough Distribution 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

Peterborough Distribution Inc. (“PDI”), 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 PDI charges for electricity distribution, to be effective May 1, 2012.

By letter dated January 10, 2012, the Board determined that PDI’s request for the disposition of Account 1562 - Deferred Payments in Lieu of Taxes (“PILs”) is not consistent with the various decisions made in the course of the Combined PILS proceeding¹. Accordingly, the Board determined that it would not hear the application for the disposition of Account 1562 as part of this proceeding but would consider it on a stand-alone basis in a separate application. The Board noted its expectation that PDI

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

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

PDI 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, PDI 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 PDI's rate application was given through newspaper publication in PDI'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 PDI's request for lost revenue adjustment mechanism ("LRAM") recoveries and request to dispose of balances in Account 1562. The Vulnerable Energy Consumers Coalition ("VECC") applied for and was granted intervenor status in this proceeding. The Board granted VECC eligibility for cost awards in regards to PDI's request for LRAM recoveries. 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;
- 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 Lost Revenue Adjustment Mechanism.

Price Cap Index Adjustment

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

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

The stretch factors are assigned to distributors based on the results of two benchmarking evaluations to divide the Ontario industry into three efficiency cohorts. . . In its letter to Licensed Electricity Distributors dated December 1, 2011 the Board assigned PDI 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.

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.

PDI's application identified a total tax savings of \$537,161 resulting in a shared amount of \$268,580 to be refunded to rate payers. Board staff had no concerns with the Tax-Savings Workform as filed.

The Board approves the disposition of the shared tax savings of \$268,580 over a one year period (i.e. May 1, 2012 to April 30, 2013) and the associated rate riders for all customer rate classes.

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

Board staff had no issues with the data supporting PDI’s RTSR filing module. 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.

PDI's 2010 actual year-end total balance for Group 1 Accounts including interest projected to April 30, 2012 is a credit of \$1,746,748. This amount results in a total credit claim of \$0.00218 per kWh, which exceeds the preset disposition threshold. PDI proposed to dispose of this credit amount over a one-year period.

In its submission, Board staff noted that the principal amounts to be disposed as of December 31, 2010 reconcile with the amounts reported as part of the *Reporting and Record-keeping Requirements*. Board staff submitted that the amounts should be disposed on a final basis. Board staff further submitted that PDI's proposal for a one-year disposition period is in accordance with the EDDVAR Report.

The Board notes that the EDDVAR disposition threshold of \$0.001/kWh has been exceeded. The Board approves the disposition of the Group 1 deferral and variance account balance of a credit of \$1,746,748, representing principal as at December 31, 2010 and interest to April 30, 2012 on a final basis over a one year period, May 1, 2012 to April 30, 2013.

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	\$60,477	\$2,276	\$62,753
RSVA - Wholesale Market Service Charge	1580	-\$1,188,552	-\$20,405	-\$1,208,957
RSVA - Retail Transmission Network Charge	1584	-\$336,815	-\$4,876	-\$341,691
RSVA - Retail Transmission Connection Charge	1586	\$638,134	\$14,839	\$652,973
RSVA - Power (excluding Global Adjustment)	1588	-\$284,478	\$15,560	-\$268,918
RSVA - Power – Global Adjustment Sub-Account	1588	-\$630,293	-\$12,615	-\$642,908
Group 1 Total				-\$1,746,748

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 (Quarter 3) RRR data reported.

Review and Disposition of Account 1521: Special Purpose Charge

The Board authorized Account 1521, Special Purpose Charge Assessment (“SPC”) Variance Account in accordance with Section 8 of *Ontario Regulation 66/10 (Assessments for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs)* (the “SPC Regulation”). Accordingly, any difference between (a) the amount remitted to the Minister of Finance for the distributor’s SPC assessment and (b) the amounts recovered from customers on account of the assessment were to be recorded in “Sub-account 2010 SPC Assessment Variance” of Account 1521.

In accordance with Section 8 of the SPC Regulation, distributors are required to apply no later than April 15, 2012 for an order authorizing the disposition of any residual balance in sub-account 2010 SPC Assessment Variance. The Filing Requirements 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.

PDI requested the disposition of a residual credit balance of \$104,986 as at December 31, 2010, plus collections in 2011 and carrying costs until April 30, 2012 over a one year period.

Board staff submitted that despite the usual practice, the Board should authorize the disposition of Account 1521 as of December 31, 2010, plus the amounts recovered from customers in 2011, including interest, because the account balance does not require a prudence review, and electricity distributors are required by regulation to apply for disposition of this account. Board staff submitted that the \$104,986 credit balance in Account 1521 should be approved for disposition on a final basis. In its reply submission, PDI agreed with Board staff.

The Board approves, on a final basis, PDI's request for the disposition of the principal and interest balances in Account 1521 totaling \$104,986 over a one-year period from May 1, 2012 to April 30, 2012. The Board directs PDI to close Account 1521 as of May 1, 2012.

For accounting and reporting purposes, the balance of Account 1521 shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 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 (Quarter 3) RRR data reported.

Review and Disposition of Lost Revenue Adjustment Mechanism (“LRAM”) & Shared Savings Mechanism (“SSM”) Claim

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.

PDI requested the recovery of an LRAM claim of \$686,841. PDI's LRAM claim consists of the effect of 2005-2010 programs in 2005-2010 and the persisting effects of 2005-2010 programs through April 30, 2012. PDI also requested to recover a total SSM claim of \$56,463 for the impacts of 2005-2007 3rd tranche CDM programs. PDI proposed to recover the LRAM and SSM claim over a one-year period.

In its submission, Board staff noted that PDI last rebased for 2009 rates. Board staff submitted that it does not support recovery of lost revenues in 2009 for 2009 CDM programs, persisting lost revenues from 2005-2008 CDM programs in 2009 or the persisting lost revenues of 2005-2009 CDM programs in 2010, 2011 and 2012 as these amounts should have been built into PDI's last load forecast. Board staff supported approval of 2005-2008 and 2010 lost revenues, including the persisting lost revenues from 2005 programs in 2006, 2005 and 2006 programs in 2007 and the persisting lost revenues of 2005-2007 programs in 2008. Board staff submitted that it is premature to consider lost revenues in 2011 and 2012 at this time. Board staff had no concerns with

PDI's SSM claim.

In response to interrogatories, PDI stated that its LRAM claim used final 2010 OPA program summary results and not the 2010 OPA program full report results. VECC submitted that if PDI has received the 2010 final OPA CDM detailed results, it should comment on the impact on the LRAM claim in its reply submissions. VECC stated that PDI should be required to make amendments to its LRAM claim and associated rate riders for the residential class to reflect the use of 2011 OPA Prescriptive Measure and Assumptions list for the 2006 and 2007 EKC programs. VECC submitted that the LRAM claim approved by the Board should be adjusted to only include lost revenues in the years 2005, 2006, 2007 and 2008 from CDM programs implemented in 2005 to 2008, as well as 2010 CDM program results in the year 2010. VECC supported recovery of PDI's SSM claim of \$56,463.

PDI submitted that the data inputs used in calculating its LRAM claims were the best available at the time of the third party review and are in accordance with LRAM claim requirements and previous Board decisions. PDI stated that information for 2005-2008 programs was purposefully not included in its 2009 load forecast as the 2009 final program results were not available at that time. PDI noted that its LRAM claim does not rely on the OPA Measures and Assumptions list inputs for 2010 program LRAM claims in 2011 and 2012. It noted that its LRAM claims are based on the persisting savings reported in final OPA-verified program specific evaluations. PDI stated that the OPA has identified these results as final. PDI noted that as its LRAM claim does not depend on the Measures and Assumptions list, there is no reason why it should revise the LRAM claim in a future application.

The Panel will approve a total LRAM claim of \$517,430, to be disposed of over a one year period, May 1, 2012 to April 30, 2013. The approved LRAM claim is comprised of lost revenues over the 2005 to 2010 period, arising from CDM programs implemented from 2005 to 2010. Although the CDM Guideline states 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, the Board has acknowledged (PowerStream decision EB-2011-0005 and PUC decision EB-2011-0101) that the 2004 NAC based load forecast underpinning PDI's 2009 cost of service rates do not include the impact of PDI's CDM

programs.² The Board also notes that with the exception of 2009, PDI was in IRM over the period and did not otherwise receive compensation for lost revenues from these programs. The Board will not approve lost revenues arising from these programs in 2011 and 2012, as it is premature to do so and inconsistent with the CDM Guidelines.

The Board finds that the data inputs used in calculating its LRAM claims are the best available at the time of the third party review and are in accordance with LRAM claim requirements and previous Board decisions. The Board therefore will not require PDI to recalculate the claims with different data inputs.

The Board finds that PDI's application for SSM recovery is consistent with the Board's Guidelines and approves the recovery of SSM amount of \$56,463 over a one year period, May 1, 2012 to April 30, 2013.

Rate Model

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

² Decision, EB-2008-0241, pages 3 and 4. In its cost of service application, Peterborough prepared a load forecast using the Normalized Average Consumption (NAC) approach based on 2004 data that had been prepared by Hydro One as part of Peterborough's 2006 Cost Allocation Informational Filing. For the non-weather-sensitive rate classes, the actual 2004 load data was used. In Peterborough's view, its proposed load forecast was likely not materially different than what would have resulted from using more sophisticated time series techniques. In the Decision, the Board approved Peterborough's customer count and load forecast as reasonable.

3. If the Board does not receive a submission from PDI 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. PDI 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 PDI 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 PDI 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. PDI 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 PDI any responses to any objections for cost claims within **28 days** from the date of issuance of the final Rate Order.
4. PDI 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-2011-0194**, 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 BoardSec@ontarioenergyboard.ca . 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 19, 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-2011-0194

DATED: April 19, 2012

Peterborough Distribution 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-2011-0194

RESIDENTIAL SERVICE CLASSIFICATION

Residential class customers are defined as single-family dwelling units for domestic or household purposes. Semi-detached and row town-housing will be considered residential class if each individual unit is located on its own registered freehold lot fronting on the public road allowance. Each unit must have its own individual service connection from the road allowance and each main service disconnect is assessable from the unit which it supplies. All other developments are considered to be in the General Service class. 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	\$	11.91
Distribution Volumetric Rate	\$/kWh	0.0116
Low Voltage Service Rate	\$/kWh	0.0005
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	(0.0015)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	(0.0015)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kWh	(0.0005)
Rate Rider for Lost Revenue Adjustment Mechanism/Shared Savings Mechanism Recovery (2012) – effective until April 30, 2013	\$/kWh	0.0016
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047

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

Peterborough Distribution 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-2011-0194

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. General Service class customers are defined as all buildings not classified as residential. A customer must remain in its customer class for a minimum of twelve (12) months before being reassigned to another class. 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	\$	29.90
Distribution Volumetric Rate	\$/kWh	0.0090
Low Voltage Service Rate	\$/kWh	0.0005
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	(0.0015)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	(0.0015)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kWh	(0.0004)
Rate Rider for Lost Revenue Adjustment Mechanism/Shared Savings Mechanism Recovery (2012) – effective until April 30, 2013	\$/kWh	0.0006
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043

MONTHLY RATES AND CHARGES – Regulatory Component

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

Peterborough Distribution 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-2011-0194

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to all buildings not classified as residential and having a service connection capable of load delivery equal to or above 50 kW or having an average monthly peak demand equal to or greater than 50 kW over a twelve month period, but less than 5,000 kW. A customer must remain in its customer class for a minimum of twelve (12) months before being reassigned to another class.

Customers who require service connections above 1,000 kVA must supply and own the primary conductors, switchgear and their own transformation above the maximum supplied by Peterborough Distribution Inc. (see Section 3.3 of Conditions of Service). The maximum allowable service connection on the 27.6 kV system is 5,000 kVA.

Customers have the option of ownership of transformation at all sizes and are required to own the transformation above the maximum levels supplied by Peterborough Distribution Inc. If a customer decides or is required to own their transformation, the transformer specifications and its loss evaluation require approval from Peterborough Distribution Inc. The customer is required to compensate Peterborough Distribution Inc for transformer losses that exceed the maximum acceptable losses. The customer will receive a transformer allowance as specified in the current rate schedule for privately owned transformation.

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	\$	247.49
Distribution Volumetric Rate	\$/kW	2.4354
Low Voltage Service Rate	\$/kW	0.1930
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	(0.6241)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	(0.6140)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(0.0734)
Rate Rider for Lost Revenue Adjustment Mechanism/Shared Savings Mechanism Recovery (2012) – effective until April 30, 2013	\$/kW	0.0611
Retail Transmission Rate – Network Service Rate	\$/kW	2.4345
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6613

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

Peterborough Distribution 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-2011-0194

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

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	\$	6,311.79
Distribution Volumetric Rate	\$/kW	0.7373
Low Voltage Service Rate	\$/kW	0.2364
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	(0.7152)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	(0.7037)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(0.0358)
Retail Transmission Rate – Network Service Rate	\$/kW	2.8683
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.0352

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

Peterborough Distribution 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-2011-0194

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 connection)	\$	11.10
Distribution Volumetric Rate	\$/kWh	0.1464
Low Voltage Service Rate	\$/kWh	0.0005
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	(0.0015)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kWh	(0.0015)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kWh	(0.0033)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043

MONTHLY RATES AND CHARGES – Regulatory Component

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

Peterborough Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0194

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification covers sentinel lights used for security or other commercial activities. All attempts must be made to connect these loads to a metered service where possible. The customer is required to provide details of the connected load and usage pattern prior to connecting to the distribution system. The customer owns all the equipment and facilities from the load side of the connection to the distribution system. The connection shall be made to the distribution system as approved by Peterborough Distribution Inc. Peterborough Distribution Inc. has operational control of the connection to the distribution system. The customer is responsible for any requirements under the Ontario Electrical Safety Code and is required to have all equipment inspected and approved by the Electrical Safety Authority. 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)	\$	3.73
Distribution Volumetric Rate	\$/kW	17.83
Low Voltage Service Rate	\$/kW	0.1532
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	(0.5592)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	(0.5502)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(0.5203)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8487
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3191

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

Peterborough Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0194

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies only to street lighting equipment owned by the City of Peterborough, other authorized municipalities or the Province of Ontario and operating within the licenced territory of Peterborough Distribution Inc. Included is decorative and seasonal lighting connected to street lighting facilities owned by the City of Peterborough, other authorized municipalities and the Province of Ontario. The customer owns all equipment and facilities from the load side of the connection to the distribution system. The customer is required to provide details of the connected load and usage pattern prior to connecting to the distribution system. Each streetlight is to be individually controlled by a photocell. Underground connections for street lighting require a main disconnect to be installed by the Customer. The customer is responsible for any requirements under the Ontario Electrical Safety Code and is required to have all equipment inspected and approved by the Electrical Safety Authority. The customer may retain operational control of any disconnects if authorized by Peterborough Distribution Inc. and operated by qualified personnel. Peterborough Distribution Inc. retains operational control of the connections to the 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 (per connection)	\$	3.16
Distribution Volumetric Rate	\$/kW	13.188
Low Voltage Service Rate	\$/kW	0.1497
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kW	(0.5267)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2013	\$/kW	(0.5182)
Rate Rider for Tax Change – effective until April 30, 2013	\$/kW	(0.5916)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8350
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2884

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

Peterborough Distribution 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-2011-0194

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
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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)

Peterborough Distribution Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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EB-2011-0194

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
Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Notification Charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Service call – customer-owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary service install & remove – overhead – no transformer	\$	500.00
Temporary service install & remove – underground – no transformer	\$	300.00
Temporary service install & remove – overhead – with transformer	\$	1,000.00
Service Charge for Access to the Power Poles \$/pole/year	\$	22.35

Peterborough Distribution 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-2011-0194

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	1.0487
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0171
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0382
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0071