



**EB-2011-0415**

**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 Welland Hydro-  
Electric System Corp. for an order or orders approving or  
fixing just and reasonable distribution rates related to Smart  
Meter deployment, to be effective May 1, 2012.

**BEFORE:** Ken Quesnelle  
Presiding Member

Marika Hare  
Member

**DECISION AND ORDER**  
**April 19, 2012**

**Introduction**

Welland Hydro-Electric System Corp. (“Welland Hydro”), a licensed distributor of electricity, filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on December 5, 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 Welland Hydro charges for electricity distribution, to be effective May 1, 2012.

In its Application, Welland Hydro sought Board approval for the disposition and recovery of costs related to smart meter deployment, offset by Smart Meter Funding Adder (“SMFA”) revenues collected from May 1, 2006 to April 30, 2012. Welland Hydro requested approval of proposed Smart Meter Disposition Riders (“SMDRs”) and Smart Meter Incremental Revenue Requirement Rate Riders (“SMIRRs”) effective May 1, 2012. The Application is based on the Board’s policy and practice with respect to recovery of smart meter costs.<sup>1</sup>

---

<sup>1</sup> *Guideline G-2008-0002: Smart Meter Funding and Cost Recovery*, issued October 22, 2008. On December 15, 2011, the Board issued *Guideline -2011-0001: Smart Meter Funding and Cost Recovery* –

The Board issued its Letter of Direction and Notice of Application and Hearing (the "Notice") on January 23, 2012. The Vulnerable Energy Consumers' Coalition ("VECC") requested and was granted intervenor status and cost award eligibility. No letters of comment were received. The Notice established that the Board would consider the Application by way of a written hearing and established timelines for discovery and submissions.

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:

- Costs incurred with respect to Smart Meter Deployment and Operation;
- Cost Allocation;
- Stranded Meter Costs; and
- Implementation.

### **Costs Incurred with Respect to Smart Meter Deployment and Operation**

In the Application, Welland Hydro sought the following approvals:

- **Smart Meter Disposition Rate Rider - (\$0.24)**

This rate rider would be in effect from May 1, 2012 to April 30, 2013 and represents a credit to customers resulting from comparing Revenues collected from customers to April 30, 2012 versus the revenue requirement recoverable to December 31, 2011.

- **Smart Meter Incremental Revenue Requirement Rate Rider - \$2.34**

This rate rider would be in effect from May 1, 2012 to April 30, 2013 which is the effective date of the rate order based on the next scheduled cost of service rate application for Welland Hydro. This rate rider represents how the revenue requirement would be determined in a cost of service proceeding and is based

---

*Final Disposition.* While Welland Hydro's Application was filed prior to the issuance of *Guideline G-2011-0001*, Welland Hydro's Application is compliant with it. In preparing its Application, Welland Hydro used Smart Meter Model, Version 2.17, and prepared its application considering recent Board decisions on smart meter cost disposition and recovery.

on smart meter capital expenditures to December 31, 2011 and forecasted smart meter operating expenditures for January 1, 2012 to December 31, 2012.

In its Application, Welland Hydro proposed that the SMDR and SMIRR each be uniform for the Residential and GS < 50 kW customer classes to which smart meters were installed.

In responses to interrogatories, Welland Hydro made corrections to various data in the Smart Meter Model and revised its proposed rate riders for smart meter cost recovery. In addition, in response to an interrogatory from VECC, Welland Hydro calculated class-specific SMDRs and SMIRRs based on separate models of the costs. This is further addressed below.

In its Application, Welland Hydro documented the following as its per meter costs as of December 31, 2011:

Cost per installed Smart Meter

Description	Total Cost	Cost per Meter
Smart Meters and AMI System	\$3,021,740	\$138.03
Web Presentment	\$15,896	\$0.73
<b>Total Capital Costs</b>	<b>\$3,037,636</b>	<b>\$138.76</b>
Number of Smart Meters installed	21,892	
Incremental O & M 2012 projected	\$176,775	\$8.07
<b>Total Cost per installed Smart Meter</b>		<b>\$146.83</b>

Source: Application, page 5, Table 1

Welland Hydro did not include costs for any other customer classes nor did it include costs beyond December 31, 2011, with the exception of OM&A and carrying charges.

Both Board staff and VECC noted that Welland Hydro's costs per meter, both for capital and on a combined capital and operating basis are within the range of per meter costs that have been observed for other applications dealt with to date. VECC also noted that the average per meter capital cost, based on data reported by all utilities to September 30, 2009, was \$186.76,<sup>2</sup> and that updated date reported for the period ending September 30, 2010, showed an industry average capital cost of \$226.92.<sup>3</sup> Both Board staff and VECC concluded that Welland Hydro's average capital costs per installed smart meter are reasonable.

<sup>2</sup> VECC, Submission, March 17, 2012, page 3, referencing the Board's *Sector Smart Meter Audit Review Report*, dated March 31, 2010.

<sup>3</sup> Ibid., referencing the *Monitoring Report Smart Meter Investment – September 2010*, March 3, 2011

Board staff submitted that Welland Hydro's costs are, if anything, understated as the utility is not seeking recovery of the costs for replacement of its CIS/billing system to implement TOU billing; instead the utility has decided that these costs will be borne through existing rates. VECC agreed with Board staff's submission.

The Board finds that Welland Hydro has provided adequate documentation of its smart meter costs, and recognizes that the utility has excluded some costs, primarily related to the CIS and billing system replacement. This is a decision of the utility's management. The Board agrees with this approach as this is to the benefit of ratepayers but should not cause material financial risk to the utility.

The Board acknowledges Welland Hydro's statement in its reply submission that "the appropriate place to evaluate the new system costs/benefits is in its 2013 Cost of Service Rate Application as a separate increase to OM&A when comparing to 2009 Approved OM&A costs." The Board agrees with Welland Hydro, and also notes Board staff's submission that Welland Hydro be prepared to address and quantify any operational efficiencies and cost savings resulting from smart meter deployment in the utility's next cost of service application.

The Board notes that authorization to procure and deploy smart meters has been done in accordance with Government regulations, including successful participation in the London Hydro RFP process, overseen by the Fairness Commissioner, to select a vendor for the procurement and/or installation of smart meters and related systems. There is thus a significant degree of cost discipline that distributors, including Welland Hydro, are subject to in smart meter procurement and deployment.

The Board finds that Welland Hydro's documented costs, as applied for, related to smart meter procurement, installation and operation, are reasonable. As such, the Board approves the disposition for recovery of the costs for smart meter deployment and operation.

### **Cost Allocation**

In its Application, Welland Hydro initially proposed uniform SMDRs and SMIRRs, arguing that the allocation weights from the 2006 Information Filing were dated and not representative of the appropriate allocation given the costs of smart meters. Initial smart meter funding was provided by a uniform SMFA collected from all metered

customers, and there was no specific Board direction for recording of costs and revenues by class.

The Board has recognized that, as there would be differing costs in different customer classes, in large part due to the costs of the meters themselves, and to the extent that accurate data was available from the utility's records, the principle of cost causality would support class-specific cost recovery. To this end, the Board's guidelines<sup>4</sup> have indicated that a utility is expected to address the allocation of costs in its application seeking the disposition of smart meter costs recorded in accounts 1555 and 1556. Further, in recent decisions, the Board has reviewed and approved the evolution of approaches for calculating class-specific rate riders.<sup>5</sup>

In its Application and, in accordance with Guideline G-2008-0001 which stated that a utility should address the allocation of costs<sup>6</sup>, and recent PowerStream decisions, Welland Hydro provided alternative calculations<sup>7</sup> for class-specific SMDRs and SMIRRs.

In response to Board staff interrogatory # 9 and VECC IR # 1, Welland Hydro calculated updated class-specific SMDRs and SMIRRs to reflect corrections to the data and model discovered through the interrogatory process and based on class-specific smart meter models, whereby costs are directly attributed in each model.

The resulting SMDRs and SMIRRs calculated by Welland Hydro in its Application and in response to interrogatories are documented in the following table:

---

<sup>4</sup> See footnote 1.

<sup>5</sup> The Board's decisions with respect to PowerStream Ltd.'s 2010 and 2011 smart meter applications (respectively, EB-2010-0209 and EB-2011-0128) confirmed approaches for allocating costs and calculating class-specific rate riders for recovery of smart meter costs. The approach approved in Decision EB-2011-0128, or an analogous or improved approach is expected where data of adequate quality at a class level is available.

<sup>6</sup> Guideline G-2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition, issued December 15, 2011, provides further guidance on the need for and how to address the allocation of costs, as an evolution to the Board's policy and practice on this issue.

<sup>7</sup> In its Application, Welland Hydro documented its cost allocation approach in Appendix F for class-specific SMIRRs. Appendix H details the calculation of class-specific SMDRs based on estimate cost per customer class and Appendix I details the calculation of class-specific SMDRs based on the cost allocation methodology with weights from 2006.

Class	SMDR (\$/month)			SMIRR (\$/month)		
	As Filed - Uniform	As Filed – Estimated Capital Cost by Class (Appendix H)	Board staff IR # 9 and VECC IR # 1	As Filed - Uniform	As Filed – Estimated Capital Cost by Class (Appendix F)	Board staff IR # 9 and VECC IR # 1
Residential	(\$0.24)	(\$0.28)	(\$0.24)	\$2.34	\$2.21	\$2.18
GS < 50 kW	(\$0.24)	\$0.27	(\$0.30)	\$2.34	\$3.86	\$3.95

In this Application, the Board considers the cost causality approach proposed by VECC to be more exacting and principled, and will accept it where the utility has calculated it and is confident with the underlying data at the customer class level. The Board notes that all parties concur on this matter. As such, the Board approves the class-specific SMDRs and SMIRRs as calculated according to the methodology used in response to Board staff IR # 9 and VECC IR # 1.

As proposed by Welland Hydro, the Board finds that the approved SMDRs will be in effect for twelve months from May 1, 2012 to April 30, 2013. The SMIRRs are monthly fixed rates based on the annualized revenue requirement and remain in effect until the effective date of the utility's next cost of service rate order, at which point the capital and operating costs are directly incorporated into the rate base and revenue requirement. As Welland Hydro is scheduled to rebase its rates for 2013, the Board notes that the SMIRR will be in effect from May 1, 2012 until April 30, 2013.

### **Stranded Meter Costs**

In its Application, Welland Hydro proposed not to dispose of stranded meters by way of stranded meter rate riders at this time, but to deal with disposition in its next rebasing application, scheduled for 2013 rates. Welland Hydro documented that the net book value of stranded meters as of December 31, 2012 is \$480,240 (\$441,084 for Residential and \$39,156 for GS < 50 kW). Neither VECC nor Board staff took issue with Welland Hydro's proposal. Board staff submitted that Welland Hydro's proposal is also compliant with Guideline G-2011-0001. The Board agrees.

### **Implementation**

In granting its approval for the historically incurred costs and the costs projected for 2012, the Board considers Welland Hydro to have completed its smart meter

deployment. Going forward, no capital and operating costs for new smart meters and the operations of smart meters shall be tracked in Accounts 1555 and 1556. Instead, costs shall be recorded in regular capital and operating expense accounts (e.g. Account 1860 for meter capital costs) as is the case with other regular distribution assets and costs.

Welland Hydro is authorized to continue to use the established sub-account Stranded Meter Costs of Account 1555 to record and track remaining costs of the stranded conventional meters replaced by smart meters. The balance in this sub-account should be brought forward for disposition in Welland Hydro's next cost of service application.

With this Decision, the Board is providing Welland Hydro with a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board also reviewed the entries in the draft Tariff of Rates and Charges to ensure that, other than the rate riders for smart meter cost recovery approved in this Decision, they are in accordance with the 2012 Board approved Tariff of Rates and Charges as approved in Welland Hydro's separate Incentive Regulation Mechanism application (EB-2011-0202) issued on March 22, 2012.

#### **THE BOARD ORDERS THAT:**

1. Welland Hydro's new distribution rates shall be effective May 1, 2012.
2. Welland Hydro and VECC shall review the draft Tariff of Rates and Charges set out in Appendix A. Welland Hydro and VECC 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 any submissions from Welland Hydro and VECC 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. Welland Hydro 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(s) from Welland Hydro or VECC 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(s) and will issue a final Tariff of Rates and Charges.

### **Cost Awards**

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

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Welland Hydro shall file with the Board and forward to VECC any objections to the claimed costs within **14 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to Welland Hydro any responses to any objections for cost claims within **21 days** from the date of issuance of the final Rate Order.
4. Welland Hydro 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-2011-0415**, be made through the Board's web portal at, [www.errr.ontarioenergyboard.ca](http://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](http://www.ontarioenergyboard.ca). If the web portal is not available parties may email their document to [boardsec@ontarioenergyboard.ca](mailto: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 7 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-2011-0415**

**DATED: April 19, 2012**

# Welland Hydro-Electric System Corp.

## 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-2011-0415

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to residential customers residing in detached or semi-detached units, as defined in the local zoning by-law. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	14.37
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2013	\$	(0.24)
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	2.18
Distribution Volumetric Rate	\$/kWh	0.0144
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0016)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kWh	(0.0003)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0080
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0056

### 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

# Welland Hydro-Electric System Corp.

## 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-2011-0415

## GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to commercial buildings taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Commercial buildings are defined as buildings, which are used for purposes other than resident dwellings. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	24.80
Rate Rider for Disposition of Residual Historical Smart Meter Costs – effective until April 30, 2013	\$	(0.30)
Rate Rider for Smart Meter Incremental Revenue Requirement – in effect until the effective date of the next cost of service-based rate order	\$	3.95
Distribution Volumetric Rate	\$/kWh	0.0087
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0015)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kWh	(0.0003)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

### 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

# Welland Hydro-Electric System Corp.

## 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-2011-0415

## GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to commercial buildings whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Commercial buildings are defined as buildings, which are used for purposes other than resident dwellings. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

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

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	339.49
Distribution Volumetric Rate	\$/kW	1.4242
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5226)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kW	(0.0995)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kW	(0.0264)
Retail Transmission Rate – Network Service Rate	\$/kW	2.4354
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6828
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.4157
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.0158

### 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

# Welland Hydro-Electric System Corp.

## 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-2011-0415

## LARGE USE SERVICE CLASSIFICATION

This classification refers to an account whose monthly average peak demand 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	\$	12,986.14
Distribution Volumetric Rate	\$/kW	0.8762
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5277)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kW	(0.1010)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kW	(0.0158)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7701
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.2384

### 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

# Welland Hydro-Electric System Corp.

## 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-2011-0415

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Unmetered or flat connections are permitted with the approval of Welland Hydro-Electric System Corp. Engineering Department. Flat rate connects may include, but are not limited to, Traffic Lights, Street Lights, Bus Shelters, and Signs. Energy consumption is determined by information provided by the customer and/or load measurement taken by Welland Hydro-Electric System Corp. following connection of the flat service. 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)	\$	13.54
Distribution Volumetric Rate	\$/kWh	0.0093
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0016)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kWh	(0.0003)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0049

### 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

# Welland Hydro-Electric System Corp.

## 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-2011-0415

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting not classified as unmetered or street lighting. The consumption for the customer will be based on the calculated connected load times a twelve hour day times the applicable billing period. 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)	\$	2.64
Distribution Volumetric Rate	\$/kW	6.0582
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5529)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kW	(0.1026)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kW	(0.1309)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2682
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5674

### 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

# Welland Hydro-Electric System Corp.

## 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-2011-0415

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to the Street Lighting system owned by the City of Welland. Welland Hydro-Electric System Corp. provides new installations and maintenance of the street lighting system, as required by the City of Welland. 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)	\$	2.51
Distribution Volumetric Rate	\$/kW	10.801
Rate Rider for Deferral/ Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5679)
Rate Rider for Global Adjustment Sub-Account (2012) – applicable only to Non-RPP Customers – effective until April 30, 2014	\$/kW	(0.1043)
Rate Rider for Tax Change - effective until April 30, 2013	\$/kW	(0.2286)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2633
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5640

### 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

**Welland Hydro-Electric System Corp.**  
**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-2011-0415

**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
----------------	----	------

# Welland Hydro-Electric System Corp.

## 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-2011-0415

## ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.70)
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
Statement of account	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Account history	\$	15.00
Returned Cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	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
Disconnect / Reconnect at meter - during regular hours	\$	65.00
Install / Remove load control device - during regular hours	\$	65.00
Disconnect / Reconnect at meter - after regular hours	\$	185.00

Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Meter upgrade requested by customer plus installation – per month plus installation on a time and material basis.	\$	10.00

# Welland Hydro-Electric System Corp.

## 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-2011-0415

## 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	1.0532
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0427
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045